



In this issue ...

In His Own Words – Commentary. The PMG seems disinterested in fighting to retain hardcopy mail. *Page 1.*

USPS Revises Competitive Parcel Products. Consolidating into two products makes sense, but the prices are yet to be seen. *Page 2.*

OIG Examines TRACS, CARES, and The Plan. The OIG found the programs were operating correctly. *Page 3.*

Insight into Network Changes Given to USPS Employees, Not Customers. Apparently DeJoy doesn't think mailers need to know. *Page 4-5.*

USPS Ends Postage Reseller Programs. The USPS doesn't want to share with its erstwhile "partners." *Page 6.*

PRC Opens Another Study of Flats Costs. Will this be déjà vue? *Page 6.*

International Update: The EU Import Control System's Next Phase. The need to provide accurate data is getting greater. *Page 7.*

Issues with Political Mail STIDs. A failure in the USPS process. *Page 7.*

Mailers Hub Submits Comments on USPS "Pilot Test." We call it what it is. *Page 8.*

USPS FINAL RULE: Periodicals Requester Records Requirements. Adjusting for the audit bureaus. *Page 9.*

USPS Notifies of Expanded Collection of Customer Information. Even the USPS is collecting data about you. *Pages 10-12.*

PRC Adopts New Rule for Defining "Monopoly Mail." Pulling back authority to itself. *Pages 12-13.*

Miscellany. Calendar problems; Reprieve; Reports from the field; Fired. *Page 14.*

All the Official Stuff. Federal Register notices, Postal Bulletin articles, DMM Advisory and Industry Alert postings. *Page 15-17.*

Calendar. Scheduled events and more. *Page 17.*

USPS Alerts and Notices Related to COVID-19. *Page 18.*

In His Own Words – Commentary

It's hardly news that hard-copy mail volume is shrinking – it has been for fifteen years as the uptake of electronic messaging has accelerated. However, the diversion to electronic media that may work in some applications – personal emails and texts in place of written letters and cards – doesn't mean *all* messages translate well. Many individuals still prefer paper bills and statements (though they make payments electronically) and marketers understand that hard copy messages have a better success rate than an electronic message that ends up in the spam folder.

For its part, the Postal Service, and its predecessor, the Post Office Department, have been in the business of moving hard copy mail for 230 years and have experienced the changes in how Americans live and communicate. Traditionally, the post has been viewed as a government service, not a business operation that's supposed to make money.

More recently, however, the USPS has been expected to continue being a public service but to operate in a business-like manner, supporting itself through the sale of postage. Aside from the inherent conflict of being both service- and business-oriented, the basic equation of self-support has failed: USPS operating costs, and the number of addresses it must reach, are growing while mail volume and revenue are not.

Despite these challenges, previous USPS leaders sought to retain all they could of traditional mail volume while seeking to trim the costs of an expanding delivery network and an increasingly inefficient processing infrastructure.

Salvation

As he has often mentioned, this was the "mess" that Louis DeJoy found when he became postmaster general in 2020. Despite the complexity of the conjoined postal and commercial mailing environments, DeJoy declared that it was obvious what had to be done to set things straight and that he was the man to do it. Without any visible education about the agency or its customers – beyond the library of previous studies, reports, and consultant analyses, and the opinions of his selected advisors – DeJoy presented a plan to save the Postal Service.

That Plan, when issued, devoted considerable space to proposals for expanding package delivery as a major source of future business and revenue, while scarcely saying much about traditional hard-copy mail. Persons who questioned his apparent disinterest in "mail" versus "packages," like everyone else who didn't fully and dogmatically embrace his Plan, were dismissed as "noise" and adversaries of change.

Conceding

Since his ascendancy, DeJoy has continued his focus on packages, while offering only occasional lip service to hard copy mail – which still produces the majority of USPS revenue and supports the infrastructure needed to deliver packages.

Nonetheless, few observers would have anticipated the blunt comments he made during an April interview with *Government Executive*:

"I cannot compete with digital, I just can't compete with it," DeJoy said. "So I'm not going to try." ... Maintaining low prices to keep mail in the system for an extra year? 'A distraction.' You want faster correspondence? 'Email, if you need it there in a minute.'"

In other words, DeJoy has conceded the field to electronic messaging. Though he claims to want to "preserve 'affordable' mail," his actions – biannual price increases – would suggest otherwise. And, as for "mailers and other stakeholders" who've argued that slower delivery and higher rates will exacerbate volume losses, DeJoy brusquely dismisses them: "those critics are in denial."

If anyone in the commercial mailing community had any doubts about DeJoy's perspective on what they produce, his comments should tell them all they need to know about his attitude toward their businesses and hard copy mail: they should go away and wither quietly, he has a package business to build.

Going after more package business is one thing, but effectively abandoning hard copy mail – and declaring that in a published interview – is something else. Readers – and the Governors of the USPS – should find this attitude inappropriate for the person in charge of the Postal Service.

USPS Revises Competitive Parcel Products

In two filings submitted July 13 to the Postal Regulatory Commission, the Postal Service described changes it was making to its competitive parcel products.

Ground parcels

The first filing, docketed as MC2022-81, concerned the Postal Service's request to remove USPS Retail Ground from the Competitive Product List. The second filing, docketed as MC2022-82, concerned a variety of classification changes for First-Class Package Service and Parcel Select designed to coordinate with the elimination of USPS Retail Ground. The same Governors' Decision and draft changes to the Mail Classification Schedule were included in both filings.

As explained in the *Statement of Explanation and Justification* issued by the Governors of the USPS:

"The classification changes established herein are designed to simplify and streamline the Postal Service's ground competitive package offerings under one product. Beginning in January 2023, the existing First-Class Package Service product will be expanded to packages up to 70 pounds to establish an enhanced ground package product. The Retail and Commercial price categories within First-Class Package Service will still be maintained, and the Retail price category will retain its seal against inspection. The enhanced First-Class Package Service product will also include up to \$100 of insurance as well as cubic pricing tiers up to one cubic foot (1 cu. ft.).

"In accordance with these enhancements and to avoid redundant offerings, the USPS Retail Ground product will be removed from the competitive product list and the Parcel Select Ground price category will no longer be available within the Parcel Select product. Both offerings would be subsumed under the newly enhanced First-Class Package Service product. The Postal Service expects that its retail and commercial customers will all benefit from this simplified and streamlined ground package offering, and from the overall enhanced First-Class Package Service product."

Included in the first filing was a second *Statement of Supporting Justification* offered by Sharon Owens, USPS VP Pricing and Costing:

"Upon the removal of USPS Retail Ground from the competitive product list, the elimination of the Parcel Select Ground price category, and the expansion of First-Class Package Service, the remaining competitive products will continue to cover their attributable costs and make a positive contribution to institutional costs, such that no issue of subsidization of competitive products by market dominant products will arise. The pricing for the newly expanded First-Class Package Service product will be dealt with in a subsequent Governors' Decision and Commission filing ...

"The Postal Service believes that, because the removal of USPS Retail Ground will be made in conjunction with the enhanced and expanded First-Class Package Service product, many customers will not see a material change in the ground package service(s) available to them. ... Customers who currently use USPS Retail Ground or Parcel Select Ground will not see a significant change in prices by transitioning to First-Class Package Service in the future, and in the Postal Service's view, those customers will benefit from the product enhancements. ...

"... Small businesses who currently utilize USPS Retail Ground or Parcel Select Ground will still be able to access the enhanced and expanded First-Class Package Service product at a similar price point in the future. Small businesses, like many retail customers, would benefit from the Postal Service's streamlined and simplified ground package service offerings. ..."

Consolidating products

As part of the second filing, the USPS summarized its proposed changes to the Mail Classification Schedule:

- "An expansion of the First-Class Package Service product weight limit (currently an ounce-based offering up to 15.999 ounces), up to 70 pounds.
- "The size (dimension) limitations for First-Class Package Service will be updated to align with the product consolidation.
- "\$100 of insurance will be included in the enhanced First-Class Package Service product.
- "Cubic pricing tiers will be added to the enhanced First-Class Package Service product, along with Oversized, Dimensional Weight, and Nonstandard Fees.
- "The Parcel Select Ground price category will be eliminated from the Parcel Select product to avoid redundancy. Both Parcel Select Ground and USPS Retail Ground will be subsumed under the newly enhanced First-Class Package Service product.
- "The Limited Overland Routes price category will be retained and shifted under First-Class Package Service.

"First-Class Package Service will continue to offer both Retail and Commercial price categories, and the Retail category will continue to be sealed against inspection."

Changes to the Mail Classification Schedule accompanying the filings indicated that commercial and retail prices for the weight cells not now included under First-Class Package Service "will be established at a later date." However, the prices and conditions for "limited overland routes" (Alaska ground service), oversized pieces, dimensional weights, and nonstandard fees were carried over from Retail Ground to First-Class Package Service.

Observations

Reorganizing ground parcel offerings into two products – one retail and one commercial – makes sense from both the Postal Service's perspective and its customers'. That the revisions are being done now may as much reflect the focus of the PMG on growing the agency's package business as on any other motivation. There are other noteworthy aspects, however.

First, it's interesting that the USPS would put its retail package offering under the First-Class Package Service banner, likely because the brand recognition and cachet of *First-Class* is seen as more attractive than *Retail Ground*.

Second, the Postal Service was clear that it's not done with changes to competitive package services, stating that it's:

"... currently in the process of considering a competitive price and classification change case for potential implementation in January 2023, and would file any such case with the Commission this fall if it is approved by the Postal Service Governors. If the Commission is able to complete its review of the instant docket prior to the end of September, it would greatly aid the Postal Service in developing any pricing plans, and would give postal customers more certainty around any Postal Service structural changes for January."

Finally, and not inadvertently, the USPS thus revealed when the next round of price changes will be implemented: January 8, 2023. Of course, the price and classification changes that will take effect then won't be announced until early October for market-dominant products and later for competitive products. We'll learn more in about twelve weeks.

OIG Examines TRACS, CARES, and The Plan

Audit reports recently released by the Postal Service's Office of Inspector General have examined varied topics.

TRACS

Released June 30, *Transportation Cost System – Surface Highway* reported on a

"... self-initiated audit of the US Postal Service's Transportation Cost System (TRACS) – Surface highway tests. Our objective was to assess the reliability of the select processes related to TRACS – Surface highway testing data. ...

"TRACS is a statistical sampling and data collection system that the Postal Service uses to estimate transportation costs and distribute those costs to mail categories, set prices, create new products and services, and provide operational information to management. There are two types of TRACS tests: Air and Surface. The Postal Service uses TRACS – Surface testing to estimate and distribute transportation costs for highway, railroad, and water transportation accounts; and estimate the capacity incurred by specific mail types transported by highway in tractor trailers, vans, trucks, and automobiles. ...

"... In FY 2021, the Postal Service used TRACS – Surface data to distribute highway costs within two cost segments. The General Ledger allocated about \$5.4 billion in highway costs within Cost Segment 14 – Transportation. In addition, the ledger allocated about \$913 million in Vehicle Service Drivers (VSD) route costs within Cost Segment 8 – Vehicle Service Drivers. Once allocated to these cost segments based on the General Ledger Account Number, attributable costs were distributed to mail products and services using TRACS data. ..."

The OIG found that data collection personnel "generally followed testing policies and procedures and correctly captured and recorded mail characteristics." No corrective recommendations were offered.

CARES

Issued July 7, *Coronavirus Aid, Relief, and Economic Security (CARES) Act Funding* sought to "assess the Postal Service's justification for and use of funds received under the CARES Act, as amended by the Consolidated Appropriations Act of 2021, and associated disclosure requirements." The OIG reported that

"The Postal Service prepared advance requests for CARES Act funding according to requirements in the CARES Act agreement with Treasury. Additionally, the Postal Service properly itemized expenses, as required in the agreement, which were accurate, reasonable, and properly supported. Further, the Postal Service recorded, allocated, and reported CARES Act funds according to the agreement and generally accepted accounting principles.

Advance Request	Funding Period	Date of Request	Date of Receipt	Amount Requested and Received
1	3/13/20 – 12/31/20	3/15/21	3/18/21	\$7,186,000,000
2	1/1/21 – 2/28/21	3/25/21	3/30/21	1,462,900,000
3	3/1/21 – 3/31/21	5/7/21	5/14/21	367,900,000
4	4/1/21 – 4/30/21	6/2/21	6/8/21	596,400,000
5	5/1/21 – 5/31/21	7/22/21	7/29/21	386,800,000
Total				\$10,000,000,000

"Finally, the Postal Service established and implemented effective controls over CARES Act funding. Based on the audit results, we are not making any recommendations."

The OIG noted that the USPS used the funds to cover

"New or incremental costs incurred due to the COVID-19 emergency related to supplies and services; COVID-19 leave; transportation (loss of commercial air transportation network); hiring and training for new employees; increase in carriers out after 6:00 pm; overall overtime cost increase; reimbursement of 2% of employee salaries and benefits for time spent sanitizing work areas, maintaining social distances in postal facilities, etc.; inefficiency factor for new hires and employee absenteeism [as well as] additional expenses incurred in providing the Postal Service's statutorily mandated infrastructure needs and operations during the COVID-19 emergency regardless of mail volume reduction during the period."

The OIG stated that the Treasury approved each request and provided funds to the USPS. The audit also

"... reviewed the advance requests the Postal Service submitted and verified that they included only allowable COVID-19 expenses that were accurate, reasonable, and properly supported."

Based on its findings, the OIG offered no recommendations.

The Plan

Released July 6, *Assumptions and Metrics Underlying the Delivering for America 10-Year Plan* reported on the OIG's audit

"... to evaluate the Plan to determine if the underlying assumptions and projections were supported and whether metrics were established and reasonable."

The OIG summarized what it found:

"The Postal Service's assumptions and projections underlying the 58 initiatives we reviewed were supported, and its systems for recording, measuring, and monitoring initiative risks, milestones, and metrics were in place. The Postal Service also implemented a process to validate projected revenue growth and cost savings resulting from the Plan.

"We did note, however, that when the Postal Service developed its initiatives related to service performance, it did not conduct studies to determine whether specific demographic groups could be disproportionately affected. Management noted that such studies were not required or necessary, and the Postal Service does not have specific guidance or situations in which they complete a distributive impact study. Lastly, while the Postal Service provided public-facing plan updates in its most recent Integrated Financial Plan and progress report in April 2022, it has opportunities to further enhance communication regarding its progress and savings. This would better inform its customers and stakeholders about the Plan's progress and success."

In turn the OIG recommended that the USPS:

- 1) Create guidance that details the requirements for when a distributive impact study should be performed, and
- 2) Enhance the *Delivering for America* Plan's website, to provide comprehensive communications regarding plan progress, status of ongoing initiatives, future plans, and outcomes."

The OIG reported that USPS management "agreed with the findings and recommendations." (The OIG did not evaluate policy elements of The Plan.)

Insight into Network Changes Given to USPS Employees, Not Customers

Ever since the issuance of Postmaster General Louis DeJoy's 10-year Plan, the commercial mailing community has been hoping to learn of his blueprint for making the Postal Service's infrastructure more efficient and less costly.

Perhaps indicating his attitude toward ratepayers and commercial mail producers, when DeJoy decided to share some specifics on that subject he didn't do it with the industry or ratepayers, but instead in a five-minute video for employees released on July 5, posted July 6 on the USPS *Link* website.

Specifics

In the video, DeJoy offered some relative specifics:

"First, throughout the country, we are going to build or designate facilities of significant size to support a network of at least 60 new regional processing and distribution centers to accommodate the national movement of mail and packages. This new strategy will reduce redundant operations and transportation across the nation, saving us both time and money.

"Second, we will invest in most existing mail and processing facilities across the nation to improve the working environment and to enable them to conform to our new operating standards.

"Third, we will eliminate ad hoc facilities across the nation, put in place over the years to provide capacity without any clear strategy for long term efficiency and cost effectiveness.

"Fourth, we will repurpose and equip previously vacated facilities across the country to accommodate large and modernized delivery units to serve the American public more efficiently and effectively while positioning us to gain market share in the package delivery business.

"Fifth, we will create large delivery units in our mail processing facilities, again, reducing time and the cost of transportation and provide better work environments for all our employees. [In a speech to PCC officials last week the PMG stated that the current approximately 19,000 delivery units would be reduced to about 11,000 as a result of the initiative.]

"And last, we will commit to a nationwide operating strategy with standard and measured operating practices in processing, transportation, and delivery. This will assure our cost effectiveness, service responsiveness, and revenue growth, thus securing our place in the future of our nation.

"We will be creating a modern national delivery platform to serve the nation for decades to come and building better places for our employees to work and have a career."

DeJoy also was interviewed by *Government Executive* and the resulting July 5 article offered limited elaboration on what he'd said in the video.

It noted that, in an internal employee publication, the USPS cited "'major initiatives'... targeted for the Atlanta, Indianapolis and Charlotte areas this year. The goal of the new super centers is to bring all processing operations in a given metro area into one building."

Repeating DeJoy's past complaints about facilities and transportation, unnamed "postal management" was further quoted as saying

"Configurations that once made sense now limit a location's ability to process growing package volumes. Because of these limitations, many metro-area processing facilities rely on a system of duplication and repetition, where mail and packages are ferried between a number of locations over the course of several days in half-empty trucks before they reach a carrier to be delivered."

The *Government Executive* article also quoted a postal spokesperson who claimed that

"... the changes were intended only to make the delivery network more intentional and efficient, not to reduce the agency's headcount. Some employees may be impacted by the consolidations, but management expects the overall workforce to grow. Any impact on employment that may be required as a result of efficiency gains will easily be accommodated from additional growth expectations and the normal attrition we experience. We expect to be in a hiring mode for many years to come."

This aligned with DeJoy's notable concern over employee amenities; in his interview, DeJoy likened existing facilities to "dungeons" that were causing the USPS to lose employees.

Speculation

Industry observers, provided no further details by the USPS, sought to intuit the processing and delivery network that would result from the PMG's plans.

With about 250 mail processing facilities of varying sizes already in operation – not counting purpose-built airport mail facilities, Priority Mail centers, seasonal and permanent annexes, and a half-century-old matrix of network distribution centers (formerly bulk mail centers, named after the product they were built to handle) – it's unclear how many new buildings will be constructed and how many existing (or closed) facilities will be repurposed or eliminated. Likewise unclear is how many current processing facilities will become or house a "large delivery unit."

So far, the only clarity seems to be about the nomenclature for the new facilities:

- The NDCs (formerly BMCs) would become Regional Processing Distribution Centers (RPDCs);
- Current Processing and Distribution Centers (P&DCs), once the Sectional Center Facilities (SCFs) will become Local Processing Centers (LPCs);
- Some current Delivery Units (DUs) would be merged into the planned Sorting and Distribution Centers (SDCs) that would perform final sortation of mail for the colocated delivery routes.

Evolution

To long-term industry veterans, DeJoy's plans are only the latest changes to a postal infrastructure that's been evolving more quickly since the early 1960s. The introduction of the ZIP Code in 1963 was perhaps the start of network reorganization into forms we now recognize.

Though there always was a web of mail movement among facilities, the first iteration of "area mail processing" saw originating and destinating mail distribution aggregated into existing major post offices that served specific areas. Organizationally, that facility, designated as the "sectional center facility," was assigned a three-digit ZIP Code prefix that was shared by the subordinate post offices it served.

As mechanized and automated distribution was introduced and ever more widely implemented, it enabled consolidation of smaller SCF operations into larger facilities that, as a result, served multiple three-digit ZIP Code prefixes and had regional (e.g., Northern Virginia) rather than city names. (Though these were designated as processing and distribution centers (P&DCs) they were still familiarly called SCFs.)

Similarly, as equipment got bigger and outgrew some buildings, operations were rearranged accordingly, resulting in buildings (often annexes) being built or leased partly or wholly for specific functions, like pallet transfers, FSS flats processing, or package handling. Meanwhile, other facilities were given broader regional tasks, becoming area distribution centers for one or more classes of mail, while others were assigned (or built for) specific functions (like the airport mail facilities and bulk mail centers).

A 2011 study of the network by the USPS Office of Inspector General's Risk Analysis Research Center counted 528 processing facilities then in operation, but modeled how the same work could be done with a matrix of only 135 facilities.

Table 1: Number of Processing Facilities FY 2010

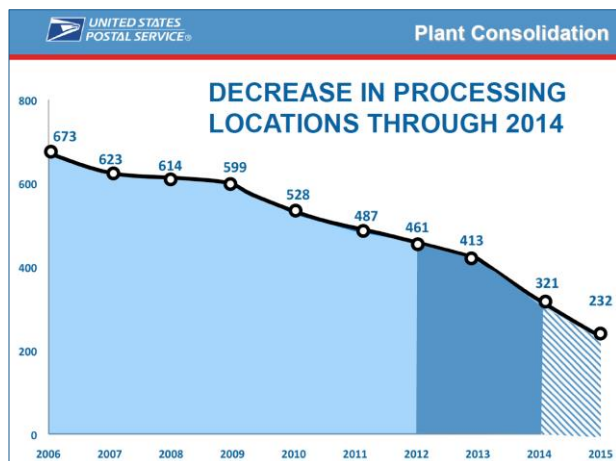
Processing Facilities	Number of Facilities
Process and Distribution Centers	260
Customer Service Facilities	164
Network Distribution Centers (formerly BMCs)	21
Logistics and Distribution Centers	13
Annexes	51
Surface Transfer Centers	11
Air Mail Centers	1
Remote Encoding Centers	2
International Service Centers	5
Total Processing Facilities	528

Source: Postal Service FY 2010 Annual Report

Figure 13: Preferred Network – 135 Facilities (120-Mile Service Radius) of which, 15 are Consolidation Hubs (500-Mile Service Radius)



(As a reader of OIG reports, DeJoy may have encountered this paper; whether it's influenced his thinking is unknown. Regardless, it shows that the notion of consolidating facilities and reworking the postal networks isn't anything new.)



Over time, some of the former SCFs reverted to being just post offices, new main post offices were tucked into new processing centers, and annexes or plants were consolidated, closed, or sold. The round of consolidations that was conducted in the early 2010s pared the total number of facilities by about half, though that process was not completed because of resistance by the postal unions and their friends in Congress.

The task at hand

With that brief history in mind, it remains to be seen how the latest steps in network evolution will rearrange the map. The same work needs to be done, so the only question is whether DeJoy's configuration will be any better; that remains to be seen. Also remaining to be seen is how successfully his plans on paper will be implemented in reality once practical issues – like physical space availability and construction challenges, and the impediments of the postal unions and politicians – finish wielding their influence over them.

Not surprisingly, the ongoing churn of employees and professional staff because of reorganizations, retirements, and reassignments – not to mention the increasing “silos” of functional groups, the compartmentalization of work and knowledge, and the Postal Service's worsening reluctance to share what it's doing with outsiders – is going to have an impact on what already will be a difficult process.

For example, Mailers Hub has learned that, without any advanced notice or discussion, the USPS recently notified MTAC User Groups that it was modifying the mail direction files and labeling lists and eliminating FSS mail preparation from the DMM sortation standards.

As we were told, “the heads of the software vendors exploded” before they were able to explain to postal staff the ramifications of what such a spontaneous action would be. User Group participants were dumbfounded how the HQ staff thought such significant changes could be announced without warning – and without anticipating consequences. (Any modification in the mail direction files, sortation rules, and labeling lists requires vendor software changes and testing, followed by deployment to customers and more testing.)

Some recent reports indicate that, under the new processing model, the use of sacks for flats of all classes would be eliminated in favor of pieces in flat tubs and bundles on pallets. This potential change would also have obvious impacts on not only the pertinent DMM standards but – again – on the software and labeling lists mailers use to prepare mail, not to mention the costs that drive the associated rates.

In contrast to how DeJoy has been seen as oblivious (or indifferent) to the industry and ratepayer impact of steep price increases and service cuts, his reputation and experience in logistics has instead raised expectations that his modifications to USPS processing, transportation, and delivery networks will yield the promised results.

Whether his senior staff at HQ and in the field – the people who will do the real work – fully understand how their decisions and actions impact the industry is another matter. Not understanding how a paper plan translates to “on the ground” reality could be a problematic shortcoming, especially if there's top-down pressure to comply and too little effective feedback from those having to implement the Plan.

USPS Ends Postage Reseller Programs

As reported July 15 by *Linn's Stamp News* and July 16 by *eCommerce Bytes* – and without any publicity from the Postal Service – the agency has ended its decades-old postage reseller program. Under contracts with the USPS, a handful of third-party companies had been authorized to offer discounted rates for using USPS shipping services, such as Commercial Base prices that are below the full-rate alternatives. The *Linn's* article explained

"The death of the so-called 'postage reselling' program was disclosed July 5 by Capitol Forum, a Washington, DC, news organization. ...

"David Partenheimer, a United States Postal Service spokesman, acknowledged in a July 9 email to *Linn's Stamp News* that the program was being shuttered. 'The Postal Service undertook an evaluation of its reseller program and has determined that the program as currently structured is not resulting in the customer benefits and efficiencies that were originally envisioned, has caused difficulties in monitoring compliance with pricing and other terms, and should be discontinued,' he said.

"Capitol Forum said the program is scheduled to end Oct. 1. It predicted this would impact a number of companies, including Stamps.com and Pitney Bowes, which have been offering the discounted prices to customers. ...

"Neither Stamps.com nor Pitney Bowes, the giant postage meter company, responded to *Linn's* email requests for comment."

Further along in the *Linn's* article was a possible motive for the Postal Service's action:

"A 2019 report by the Postal Service's Office of Inspector General about the program was highly redacted, but it noted there were 'allegations, at a high level ... that certain PC [personal computer] Postage providers were working with resellers to route shipments from existing USPS customers through resellers' discounts on a massive scale.'

"All this was occurring amid 'the soaring financial fortunes of these PC Postage providers at a time when the Postal Service is doing less well,' the inspector general's report said. Postal Service officials downplayed the allegations, claiming the program's critics had inaccurate information, the report said."

In turn, *Linn's* offered indications of why the end of the program would impact current resellers:

"A 2020 filing by Stamps.com said that if the Postal Service terminates any of its agreement with the company 'our revenue and operating results would suffer.' Pitney Bowes said in its 2021 annual report, 'If we are unable to receive competitive pricing from the USPS or take advantage of lower cost USPS options, our ability to compete with private carriers and to achieve profitable revenue growth will be adversely affected.'"

eCommerce Bytes focused on the "heavily redacted" 2019 report by the USPS Office of Inspector General which explained the role of resellers:

"Resellers' are intended to act as outsourced Postal Service sales representatives that recruit small-and-medium-sized shippers."

The article included an observation likely appropriate for many who learned of the USPS decision:

"We're perplexed about how the USPS could end the postage reseller program without going through the Postal Regulatory Commission and without publicly announcing the end of the program, instead reacting to inquiries with a one-paragraph response that explains little."

Regardless of the lack of visibility surrounding the Postal Service's action, some observers offered a more bottom-line perspective. They opined that the USPS – and especially PMG Louis DeJoy – concluded the resellers were siphoning off package volume that the Postal Service should be selling itself – and for which it should not have to share revenue.

PRC Opens Another Study of Flats Costs

As required by Section 206 of the *Postal Service Reform Act of 2022*, enacted April 6, the Postal Regulatory Commission is undertaking another study of USPS flats processing and costs. As the commission stated in its notice establishing Docket SS2022-1, *Special Study on Issues Related to Flats Operations*:

"Pursuant to the Postal Service Reform Act (PSRA) of April 6, 2022, the Commission, in consultation with the Inspector General of the United States Postal Service, is required to conduct a study concerning Flats Operations (Flats Study). Specifically, the Commission shall conduct the Flats Study to 'comprehensively identify the causes of inefficiencies in the collection, sorting, transportation, and delivery of Flats.' ... In addition, the Flats Study should allow the Commission to 'quantify the effects of the volume trends, investments decisions, excess capacity, and operational inefficiencies of the Postal Service on the direct and indirect costs of the Postal Service that are attributable to Flats.' ... A report on the findings of the Flats Study is due '[n]ot later than one year after the date of the enactment of [the PSRA].'

"The PSRA requires that the Postal Service, upon the Commission's request, consult with the Commission and provide access of its personnel to Postal Service facilities as well as the information and records necessary to conduct the Flats Study. ... Accordingly, the Commission initiates this docket to facilitate the receipt of all data and information from the Postal Service that the Commission will find necessary for the purposes of carrying out the Flats

Study and production of the report by the established deadline. Should any of the requested information require non-public treatment, the Postal Service should follow the procedures outlined in 39 CFR part 3011."

This required activity is far from the first examination of flats processing and costs, and thus of necessity likely will revisit familiar situations and redevelop past findings.

The costs and effectiveness of the Postal Service's fleet of 100 flats sequencing system machines, a billion-dollar investment made on the cusp of sharp declines in flats volume, are likely to be featured. Similarly, the recurring revisions to flats preparation requirements (presort and containerization rules), facility variability in flats processing, and the impact of manual processing (of nonmachinable pieces) are also likely topics for examination.

In past issues of its *Annual Compliance Determination* the PRC has given recurring recommendations and directives about flats processing in reaction to the Postal Service's chronic inability to control flats processing costs and enable cost coverage by the related rates.

Accordingly, though whether anything new will result from the forthcoming study remains to be seen, the possibility seems unlikely that yet another study would reveal the elusive key to finally getting flats costs under control.

International Update: The EU Import Control System's Next Phase

Requirements for shipping into the European Union continue to tighten.

In March 2021, the EU introduced Release 1, the first phase of its new Import Control System (ICS2) that requires the submission of pre-loading information. Data was required before items were loaded for transport, and items could be refused before loading on transport. The required data is generally referred to as Advanced Electronic Data (AED) in the US, while the EU and many other regions call it EAD.

The confusion and delays from the new import controls immediately after implementation have smoothed out. (The Value Added Tax (VAT), imposed on small package imports in July 2021, continues to cause more problems for mailers.)

The AED information about shipments is provided by postal operators, freight forwarders, air and express carriers, and other transit providers (rail, truck, ocean) before import, those parties having gathered the information earlier from mail processing companies and mailers.

The EU authorities are not showing much concern for what information the airlines have or don't have about the freight and mail they carry. The attitude of the authorities is, if you don't have the information, get it or we won't accept the items. This will likely continue as requirements get stricter.

Next

The second phase – Release 2 – will go into effect on March 15, 2023, and imposes pre-loading and pre-arrival data requirements via AED for both mail and cargo air shipments into the 27 countries of the EU. As with Release 1, the window for testing the ICS2 Release 2 systems before implementation will be short, given the complexities involved.

The final phase – Release 3 – comes into effect in March 2024 and imposes pre-loading and pre-arrival data requirements for ocean, rail, and truck transport. That last release will have little effect on mail from the USPS to the EU unless we have another crisis that limits air travel.

On receiving and reviewing the AED from the appropriate source, the customs authority in each EU country issues a status. For pre-loading, these are "request for screening," "request for [more] information," "request for amendment [to the information]," "do not load," and "acceptance complete."

The pre-arrival status categories are "request for [still more] information," "request for amendment," "missing Entry Summary Declaration (ENS) filing [from the carrier]," and "acceptance complete." The "acceptance complete" status indicates that the data are accepted and that the item itself will be accepted on receipt by customs; it does *not* indicate that customs will clear the item into the country.

It is unclear at this point, prior to the implementation of Release 2, whether the USPS will forward requests for further information to the mailer (mail owner) or the mail submitter, if they are different.

Mail

For goods sent by mail, the information provided in the AED comes from the USPS's Shipping Services File (SSF) submitted with commercial mail and from the customs forms. Mail submitted with an SSF must have a customs form attached to each item. Obviously, the information in the electronic SSF must match the physical customs form. The more complete and detailed the information provided to the USPS, the more likely the items will not be delayed by the review process. What additional information the USPS may require for international items containing goods is not known. However, the countries in the EU, or elsewhere, may *require* information the USPS lists as "conditional" for customs purposes.

Because the EU is a large trading bloc and its countries are important to US companies as trading partners, we often concentrate on what's happening there. However, countries outside the EU are also requiring more AED to enhance security and identify potentially problematic shipments. Goods sent by mail to any country require accurate and complete information.

For mailers using a consolidator or other mail service provider, it is important to check on the accuracy and completeness of the information provided to the USPS on the mailer's behalf. The mailer has a legal obligation to provide correct information even if the information is sent by a service provider.

This article was produced by Merry Law, Mailers Hub's expert consultant on international mail. Merry may be reached at MLaw@WorldVu.com.

Issues with Political Mail STIDs

Mailers Hub was informed last week that the Postal Service incorrectly installed the political mail STIDs that were issued in January, causing them to be set by default to *non-tracking* in Informed Visibility; this setting cannot be changed. As a result, though delivery and ACS services are unaffected, there is no tracking available for the associated mailpieces. The STIDs affected are:

For **Pieces**: 713, 714, 726, 756, 757, 758, 759, 766, 767, 768, 769, 770, 776, 780, 781, and 786.
For **Bundles**: 713, 714, 726, 727, 728, 747, 748, 756, 757, 758, 759, 766, 767, 768, 769, 770, 776, 780, 781, and 786.

It's been reported that data can be extracted through one-time queries, but such a manual process risks missing some data and delaying the posting of tracking results.

The USPS has been asked to send an alert immediately, but that request is under review. Meanwhile, the agency has indicated that they are expecting it may be several weeks before the problem can be remediated.

Until this issue is resolved and tested, tracking service providers are urging customers *not* to use the political STIDs for any mail that is to be tracked. Instead, the standard non-political STIDs should be used, and the eDoc should be annotated that the pieces are political mail.

Mailers Hub Submits Comments on USPS “Pilot Test”

On July 7, Mailers Hub submitted comments to the Postal Regulatory Commission on Docket No. MC2022-60, *Modification of Special Services Product List*. Despite the innocuous name, the docket was established to consider whether a test conducted by the Postal Service last summer was actually a test of a new service that would require PRC approval.

Last September 13, without any public announcement or approval by the PRC, the USPS quietly began a “pilot test” of what appeared to be a check-cashing service. The test was implemented at one facility each in Washington (DC), Falls Church (VA), Baltimore, and the Bronx. Because a new “non-postal service” requires PRC approval, the USPS cleverly framed the “test” as simply another way to buy a gift card

(a service with prescribed fees that was already sanctioned by the commission), and allowed payment only with business and payroll checks of \$500 or less. The test was little publicized even where it was being conducted; only six sales were reported through January, generating merely \$37.50 in service fees. The Postal Service maintained that the pilot was simply testing the acceptance of a different form of payment for gift cards. Many observers, including some members of Congress and the PRC itself, weren’t convinced.

To explore the matter further, the commission opened the pending docket on May 16; comments were due July 7. The text of Mailers Hub’s comments are shown in full.

Pursuant to Commission Order No. 6174, as modified by Order No. 6212, Mailers Hub hereby submits comments in the above-captioned proceeding.

Last September, without notice to the Postal Regulatory Commission or any significant level of publicity, the Postal Service conducted a “pilot” whose purpose, according to the agency’s January 14 response to the Commission, was to test “a new form of payment for an established postal product – gift cards.” The “new form of payment” being tested was payroll checks.

In subsequent exchanges with the Commission, the Postal Service has maintained that the pilot did not constitute offering a new nonpostal service or modifying the simple sale of gift cards that had been authorized by the Commission in 2014.

At that time, as the Commission observed in a March 9 response to a Congressional inquiry,

“... approval of the product was based on the premise that the availability of gift cards ‘stimulates demand for postal services, and enhances the use of the mail.’ ... The Postal Service’s evidence in [the gift card docket] demonstrated at the time that the majority of Gift Card sales not only involved the purchase of other postal items but were likely to be mailed.”

The Postal Service has sought to dismiss questions and concerns about the pilot by focusing attention on the item being sold – a gift card – and minimizing concerns about the nature of the transaction or that the purpose of the item’s sale may not be consistent with what was envisioned in 2014. The pilot, the USPS essentially contends, was simply to test whether a new form of payment would affect sales of gift cards. Such a position seeks to obscure what peripherals of the pilot would suggest.

In the March 9 letter, the PRC noted that

“... the market research referred to in [response to a question from the PRC] suggests that the new payment option is targeted specifically at a market looking for financial services. ... The Postal Service’s own promotional materials market the product using the language ‘need to “cash” a check?’”

Separately, Congressional interest was drawn to the apparent purpose of the pilot, which was readily interpreted not as simply testing a new form of payment but as a test of check cashing. Advocates for and opponents to such a service being offered by the Postal Service reacted accordingly.

The Postal Service’s assertions about testing a new form of payment don’t hold water. The agency has sold gift cards for seven years, and has accepted checks for decades, so claiming that it needed to test taking a check to pay for a gift card isn’t credible. Moreover, it’s not logical that the USPS would decide to pilot accepting checks to pay for gift cards at only four locations unless there was something about the anticipated sales that was significantly different from gift card sales at other post offices.

Lastly, as the Postal Service stated in response to a January 28 inquiry by the Commission:

“The Postal Service provided advertising collateral to the four Pilot sites. The following items were included: a. Tear Pads; b. Tent Cards; c. Buttons; d. Pop-Up Signage; e. Digital Signage; f. Counter Displays; g. Information provided in response to Google searches involving the specific test offices.”

If gift cards, sold for the purpose envisioned in 2014, were available at post offices nationwide, the need for specific collateral in the four pilot locations underscores that the sales were being solicited not just to sell gift cards but for a different purpose: to simply convert the value of a check into a stored value card. To most observers, that would be check cashing.

At this point, it seems logical to conclude that the issue is whether an approved nonpostal service is being used to legitimize an entirely separate business activity. A folksy aphorism holds that “if it walks like a duck, quacks like a duck, and looks like a duck, then it’s a duck.” Accordingly, what the Postal Service offered in its pilot operated like a check cashing service, was presented to customers as a check cashing service, and served the purpose of a check cashing service; therefore it was a check cashing service. The Postal Service was very clever in cloaking a check cashing service as simply a new way to buy a gift card, but the presentation, operation, and function of the activity belie its true purpose.

Aside from arguments over whether the USPS *should* offer check cashing (or any other financial service), the pilot it conducted last September was a test of a new nonpostal service, and the Commission should treat it accordingly.

POSTAL SERVICE

39 CFR Part 111

Periodicals Requester Records Requirements**AGENCY:** Postal Service.**ACTION:** Final rule.**SUMMARY:** The Postal Service is amending *Mailing Standards of the United States Postal Service, Domestic Mail Manual* (DMM) to revise verification requirements for authorized audit bureaus.**DATES:** Effective July 7, 2022.**FOR FURTHER INFORMATION CONTACT:** Dale Kennedy at (202) 268-6592.**SUPPLEMENTARY INFORMATION:** On March 24, 2022, the Postal Service published a notice of proposed rulemaking (NPRM) (87 FR 16702–16703) to revise verification requirements for authorized audit bureaus. The Postal Service did not receive any comments regarding the NPRM. The Postal Service is enacting new procedures for auditing compliance with circulation standards for Periodicals requester publications and standardizing existing procedures across Postal Service publications. In addition, the Postal Service is revising the applicable Customer Support Ruling and customer Handbooks to reflect this DMM revision.

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, the Postal Service amends *Mailing Standards of the United States Postal Service, Domestic Mail Manual* (DMM), incorporated by reference in the *Code of Federal Regulations* as follows (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) as follows:

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

* * * * *

200 Commercial Mail Letters, Flats, and Parcels

* * * * *

207 Periodicals

* * * * *

8.0 Record Keeping Standards for Publishers

* * * * *

8.1 Basic Standards

* * * * *

*[Replace 8.1.3 to read as follows:]***8.1.3 Retention.** The publisher must keep records for each issue of a publication for 3 years from its issue date, except for circulation records for general or requester publications for which USPS verification of circulation is done by a USPS-authorized audit bureau. In addition, the publisher must retain records for paid subscribers for 12 months following the issue date. A publisher whose records are verified by an authorized audit bureau is not required to keep source records of requests and subscriptions longer than required by the audit bureau, provided, however, the authorized audit bureau shall be required to retain records related to such requests and subscriptions for 3 years following each issue date.**8.2 Verification**

* * * * *

*[Replace 8.2.2 to read as follows:]***8.2.2 Authorized Verification.** USPS employees or an authorized audit bureau may conduct verifications of circulation for an application for Periodicals mailing privileges, reentry application, or other required circulation verification of general or requester publications, provided, however, that the Postal Service will have the authority to review audit procedures upon request. In addition, the Postal Service reserves the right to verify each audit bureau's compliance with such audit procedures. The Postal Service shall have the authority to revoke any audit bureau's authorization to conduct verifications if it finds such audit bureau has failed to follow approved audit procedures.

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

USPS Notices of Expanded Collection of Customer Information

In a notice published in the July 5 *Federal Register*, the Postal Service provided the required legal notice of changes it's making to its "system of records," i.e., the data it collects and retains. Two "systems" were covered, one regarding external contacts and customers (shown below) and the other involving employees.

Ostensibly intended to improve its knowledge about its customers, the information presented in the notice reveals considerably more extensive data collection.

Individuals simply calling in to a postal webinar or registering for a postal event, for example, may not fully realize the

scope and detail of the data being collected about them, nor may they want such data collection to occur. Regardless, such participation will now imply consent.

As prying from commercial companies like Google, Amazon, Facebook, and others becomes more invasive, it's concerning that the USPS also is adopting similar intrusive practices. Apparently centuries of customer contact and the data it already has about mailing activity isn't enough to give marketing executives any insights into who uses what services, or that biannual price increases may hurt mail volume.

Relevant portions of the notice are excerpted below.

POSTAL SERVICE

Privacy Act; System of Records

AGENCY: Postal Service.

ACTION: Notice of a modified system of records.

SUMMARY: The United States Postal Service (USPS) is proposing to revise a General and Customer Privacy Act System of Records. These updates are being made to facilitate use of market research tools that will be implemented by the Chief Customer and Marketing Organization within the Postal Service to assess new and existing USPS and competitive products, services, processes, and campaigns in order to gauge attitudes, perceptions, opinions, habits, and usage of USPS products and services from voluntary participants (including employees and customers).

DATES: These revisions will become effective without further notice on August 4, 2022, unless comments received on or before that date result in a contrary determination.

ADDRESSES: Comments may be submitted via email to the Privacy and Records Management Office, United States Postal Service Headquarters (privacy@usps.gov). Arrangements to view copies of any written comments received, to facilitate public inspection, will be made upon request.

FOR FURTHER INFORMATION CONTACT: Janine Castorina, Chief Privacy and Records Management Officer, Privacy and Records Management Office, 202-268-3069 or privacy@usps.gov.

SUPPLEMENTARY INFORMATION: This notice is in accordance with the Privacy Act requirement that agencies publish their systems of records in the *Federal Register* when there is a revision, change, or addition, or when the agency establishes a new system of records. The Postal Service has determined that Customer Privacy Act Systems of Records (SOR), USPS 890.000, Sales, Marketing, Events, and Publications and General Privacy Act SOR 100.600, Personnel Research Records should be revised to support the implementation of market research tools.

I. Background

The Marketing Department, specifically the Customer Insights and Marketing Strategy team, is responsible for managing customer, employee, and market research across the USPS. This includes, but is not limited to initiatives such as:

- Advertising Campaigns
- Brand Strategy
- Strategic Customer Programs
- Customer Experience with Products and Services, including Call Center
- Innovation
- Product Improvements and Development

The Marketing organization utilizes best-in-class market research tools that are used across public, private and academic settings. The tools also provide the evidence, proof points, and data for decision-makers at USPS to determine what actions are optimal for the Postal Service. The following tools are used by the Marketing department to provide foresight and intelligence across the organization:

- Focus groups
- Surveys
- Interviews
- Diaries
- Observational Studies
- Prototype assessment
- A/B Comparison Testing

II. Rationale for Changes to USPS Privacy Act Systems of Records

The Postal Service is proposing to modify USPS SORs 100.600 and 890.000 to support the use of market research and insights tools by the Marketing Department that will be utilized to improve the effectiveness for business decision making across the organization. Use of these tools enhance insight collection and assessment of new products, services, processes and campaigns for USPS. These SOR modifications are necessary for acquiring data to generate the insights for senior leadership decisions, such as for the USPS Leadership Team.

III. Description of the Modified System of Records

Pursuant to 5 USC. 552a(e)(11), interested persons are invited to submit written data, views, or arguments on this proposal. A report of the proposed revisions has been sent to Congress and to the Office of Management and Budget for their evaluations. The Postal Service does not expect these amended systems of records to have any adverse effect on individual privacy rights. USPS SOR 890.000, Sales, Marketing, Events, and Publications and 100.600 Personnel Research Records are provided below in their entirety as follows:

SYSTEM NAME AND NUMBER: USPS 890.000, Sales, Marketing, Events, and Publications.

SECURITY CLASSIFICATION: None.

SYSTEM LOCATION: USPS Headquarters Marketing and Public Policy; Integrated Business Solutions Services Centers; National Customer Service Center; Area and District USPS facilities; Post Offices; and contractor sites.

SYSTEM MANAGER(S) AND ADDRESS: Chief Customer and Marketing Officer and Executive Vice President, United States Postal Service, 475 L'Enfant Plaza SW, Washington, DC 20260-4016.

AUTHORITY FOR MAINTENANCE OF THE SYSTEM: 39 USC 401, 403, and 404.

PURPOSE(S) OF THE SYSTEM:

1. To understand the needs of customers and improve USPS sales and marketing efforts.
2. To provide appropriate materials and publications to customers.
3. To conduct registration for USPS and related events.
4. To enable access to the USPS meeting and video web conferencing application.
5. To enhance your online meeting experience by utilizing enhanced features and functionality, including voluntary polling to gather responses from attendees to generate reports or the interactive chat feature.
6. To facilitate team collaboration and communication through information sharing and cross-functional participation.
7. To allow task allocation and tracking among team members.
8. To allow users to communicate by telephone and instant-messaging through web-based applications.
9. To provide users outside of the USPS limited collaboration and communication capabilities through guest account access.
10. To facilitate and support cybersecurity investigations of detected or reported information security incidents.
11. To share your personal image via your device camera during meetings and web conferences, if you voluntarily choose to turn the camera on, enabling virtual face-to-face conversations.
12. To facilitate and support marketing initiatives, advertising campaigns, brand strategy, customer experience with products and service, including call centers, strategic customer programs, and innovation and product improvement development.

CATEGORIES OF INDIVIDUALS COVERED BY THE SYSTEM:

1. Customers who interact with USPS sales personnel, respond to direct marketing messages, request publications, respond to contests and surveys, voluntarily participate in focus groups, interviews, diaries, observational studies, prototype assessments, A/B comparison tests, and attend USPS events.
2. Customers and other individuals who participate in web-based meeting, video conference, collaboration, and communication applications sponsored by the USPS.

CATEGORIES OF RECORDS IN THE SYSTEM:

1. Customer information: Customer and key contacts' names, date of birth, age, home mailing address, and email address; phone, fax, and pager numbers; company name, job descriptions, titles, roles, level, and company address; other names and emails provided by customers.
2. Identifying information: Customer ID(s), D-U-N-S Numbers, USPS account numbers, meter numbers, and signatures.
3. Business specific information: Firm name, size, and years in business; number of employees; sales and revenue information; business sites and locations; URLs; company age; industrial classification numbers; use of USPS and competitor's products and services; types of customers served; customer equipment and services; advertising agency and spending; names of USPS employees serving the firm; and calls made.
4. Information specific to companies that act as suppliers to USPS: Contract start and end dates, contract award number, contract value, products and/or services sold under contract.
5. Information provided by customers as part of a survey or contest.
6. Payment information: Credit and/or debit card number, type, expiration date, and check information; and ACH information.
7. Event information: Name of event; role at event; itinerary; and membership in a PCC.
8. Customer preferences: Preferences for badge name and accommodations.
9. Participant session data from web-based meetings and web conferences: Participant name, participant's webcam-generated image (including presenters), recorded participant audio, video, and shared meeting screen content, chat interaction, polling questions and associated responses, participant join time and leave time, meeting duration, participant location, and participant media hardware information.
10. Event session data from web-based meetings and web conferences: Event start time, event status, event organizer, event presenter, event producer, event production type, event recording setting, total number of event media viewings.
11. Historical device usage data from web-based meetings and web conferences: Device type (such as mobile, desktop, or tablet), Device Operating System, Number of users of related Operating Systems, Operating System Version, MAC address, and IP address.
12. Historical application usage data from web-based meetings and web conferences: Number of active users, number of active users in groups, number of active group communication channels, number of messages sent, number of calls participated in, last activity date of a user, and number of guest users in a group.
13. Web-based Public Switched Telephone Network data records: Phone number, time phone call started, user name, call type, phone number called to, phone number called from, called to location, called from location, telephone minutes used, telephone minutes available, charges for use of telephone services, currency of charged telephone services, call duration, call ID, conference ID, phone number type, blocked phone numbers, blocking action, reason for blocking action, blocked phone number display name, date and time of blocking.
14. Web-based Direct Routing Public Switched Telephone Network records: Call start time, user display name, SIP address, caller number, called to number, call type, call invite time, call failure time, call end time, call duration, number type, media bypass, SBC FQDN, data center media path, data center signaling path, event type, final SIP, final vendor subcode, final SIP phrase, unique customer support ID.
15. Survey data: customer perception, feelings, habits, past behaviors, preferences, recommended improvements, willingness to buy, ownership, and hypothetical future scenarios.

RECORD SOURCE CATEGORIES: Customers, USPS personnel, and list providers.

ROUTINE USES OF RECORDS IN THE SYSTEM, INCLUDING CATEGORIES OF USERS AND THE PURPOSES OF SUCH USES: Standard routine uses 1. through 7., , and 11. apply.

POLICIES AND PRACTICES FOR STORAGE OF RECORDS: Automated databases, computer storage media, and paper.

POLICIES OF PRACTICES FOR RETRIEVAL OF RECORDS:

1. For sales, events, and publications, information is retrieved by customer name or customer ID(s), mail or email address, and phone number.
2. For direct marketing, information is retrieved by Standard Industry Code (SIC) or North American Industry Classification System (NAISC) number, and company name.
3. Report and tracking data created during web-based meetings and video conferences that pertain to individual participants, content shared, conference codes and other relevant session data and historical device usage data, are retrieved by meeting ID, host name or host email address.
4. Records pertaining to web-based collaboration and communication applications are retrieved by organizer name and other associated personal identifiers.
5. Media recordings created during web-based meetings and video conferences are retrieved by meeting ID, host name or host email address.
6. Web-based meeting and video session recordings are retrieved by meeting ID, host name or host email address.

POLICIES AND PRACTICES FOR RETENTION AND DISPOSAL OF RECORDS:

1. Records relating to organizations and publication mailing lists are retained until the customer ceases to participate.
2. ACH records are retained up to 2 years. Records relating to direct marketing, advertising, and promotions are retained 5 years.
3. Other records are retained 3 years after the relationship ends.
4. Report and tracking data created during web-based meeting and video conferences, such as session data and historical device usage data, are retained for twenty-four months.
5. Records pertaining to web-based collaboration and communication applications are retained for twenty-four months.
6. Web-based meeting and video session recordings are retained for twenty-four months.
7. Customer insight, market research, and survey records will be retained for 3 years.

Records existing on paper are destroyed by burning, pulping, or shredding. Records existing on computer storage media are destroyed according to the applicable USPS media sanitization practice.

ADMINISTRATIVE, TECHNICAL, AND PHYSICAL SAFEGUARDS: Paper records, computers, and computer storage media are located in controlled-access areas under supervision of program personnel. Access to these areas is limited to authorized personnel, who must be identified with a badge. Access to records is limited to individuals whose official duties require such access. Contractors and licensees are subject to contract controls and unannounced on-site audits and inspections.

Computers are protected by mechanical locks, card key systems, or other physical access control methods. The use of computer systems is regulated with installed security software, computer logon identifications, and operating system controls including access controls, terminal and transaction logging, and file management software. Online data transmission is protected by encryption.

RECORD ACCESS PROCEDURES: Requests for access must be made in accordance with the Notification Procedure above and USPS Privacy Act regulations regarding access to records and verification of identity under 39 CFR 266.5.

CONTESTING RECORD PROCEDURES: See Notification Procedure and Record Access Procedures.

NOTIFICATION PROCEDURE: For information pertaining to sales, inquiries should be addressed to: Sales and Customer Relations 475 L'Enfant Plaza SW, Washington, DC 20260. Customers wanting to know if other information about them is maintained in this system of records must address inquiries in writing to the Chief Customer and Marketing Officer and Executive Vice President and include their name and address.

EXEMPTIONS PROMULGATED FROM THIS SYSTEM: None.

HISTORY: August 4, 2020, 85 FR 47258; June 1, 2020, 85 FR 33208; October 24, 2011, 76 FR 65756; April 29, 2005, 70 FR 22516.

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

PRC Adopts New Rule for Defining "Monopoly Mail"

In a notice published in the July 14 *Federal Register* (below) the Postal Regulatory Commission concluded a rulemaking begun in February 2020

"... to seek input from the public about what regulations promulgated by the Commission may be necessary to carry out the requirements of 39 U.S.C. 601, 'Letters carried out of the mail,' which, as explained in greater detail below, describes when the letter monopoly does not apply to a mailpiece. ..."

In issuing the advance notice of the rulemaking, the PRC explained that

"The Postal Service has exclusive rights in the carriage and delivery of letters under certain circumstances. This letter monopoly is codified in the [Private Express Statutes], which are a group of civil and criminal statutes that make it unlawful for any entity other than the Postal Service to send or carry letters. ...

"[39 USC 601] provides specific instances (exceptions) where letters may be carried out of the mail (i.e., not subject to the letter monopoly). These statutory exceptions include letters charged more than six times the current rate for the first ounce of a single-piece first class letter and letters weighing more than 12.5 ounces. ... A 'grandfather clause' in Section 601(b)(3) also references exceptions from prior Postal Service policies and regulations. The statute also directs the Commission to promulgate any regulations necessary to carry out this section. ...

"Prior to the Postal Accountability and Enhancement Act (PAEA) of 2006, the Postal Service issued regulations to define and suspend the PES. These regulations defined the crucial term 'letter' as 'a message directed to a specific person or address and recorded in or on a tangible object,' subject to several provisions. ... The regulations also described several statutory exceptions to the letter monopoly, such as when the letter accompanies and relates to cargo or when a special messenger is used. ... In addition, the regulations describe administrative suspensions of the PES ... including suspensions for certain data processing materials or for

extremely urgent letters. ... These regulations were originally promulgated by the Postal Service in 1974 and have been amended several times. ...

"In 2006, Congress passed PAEA to clarify the limited statutory exemptions to the monopoly. In addition to adding price and weight limits as exceptions (601(b)(1), (b)(2)), Congress also added a 'grandfather clause' in Section 601(b)(3) to authorize the continuation of private activities that the Postal Service had permitted by regulations to be carried out of the mail. The House Report on the PAEA explains that the clause protects mailers and private carriers who had relied upon the regulations adopted as of the date of the bill. ... Congress also eliminated the Postal Service's authority to adopt any future regulations creating additional exceptions or defining the scope of the postal monopoly. ... Congress instead gave the Commission the authority to promulgate 'any regulations necessary to carry out this section [601].' ...

"In the more than 45 years since the Postal Service initially promulgated its regulations, the postal industry has fundamentally changed. The Postal Service recently stated that the 'most significant competitor for First-Class Mail is digital communication, including electronic mail, and other digital technologies such as online bill payment and presentment.' The USPS Office of Inspector General also released a report citing electronic diversion as a key factor that has affected the First-Class Mail correspondence segment. ..."

The commission listed fourteen issues on which it sought public comment. After reviewing the comments received, the PRC opened a second rulemaking last November 24; that rulemaking resulted in the final rule published below.

Though the rulemaking and the commission's regulations may be dry for commercial mail producers and their clients, it's important that they have a basic understanding of the authorities overseeing what constitutes First-Class Mail content and the limitations of the USPS in interpreting that rule.

PRC FINAL RULE: Market Dominant Products

Postal Regulatory Commission

39 CFR 3065

Market Dominant Products

AGENCY: Postal Regulatory Commission.

ACTION: Final rule.

SUMMARY: The Commission is adopting rules that describe when the letter monopoly does not apply to a mailpiece.

DATES: Effective August 15, 2022.

ADDRESSES: For additional information, Order No. 6221 can be accessed electronically through the Commission's website at <https://www.prc.gov>.

FOR FURTHER INFORMATION CONTACT: David A. Trissell, General Counsel, at 202-789-6820.

SUPPLEMENTARY INFORMATION:

I. Background

The Postal Service has exclusive rights in the carriage and delivery of letters under certain circumstances. This letter monopoly is codified in the Private Express Statutes (PES), which are a group of civil and criminal statutes that make it unlawful for any entity other than the Postal Service to send or carry letters. See 18 USC 1693-1699; 39 USC 601-606.

Section 601 provides specific instances (exceptions) where letters may be carried out of the mail (i.e., not subject to the letter monopoly). These statutory exceptions include letters charged more than six times the current rate for the first ounce of a single-piece first class letter and letters weighing more than 12.5 ounces. See 39 USC 601(b)(1), (b)(2). A "grandfather clause" in Section 601(b)(3) also references exceptions from prior Postal Service policies and regulations. The statute also directs the Commission to promulgate any regulations necessary to carry out this section. See 39 USC 601(c).

II. Basis and Purpose of Final Rules

The Commission initiated this proceeding to determine whether regulations promulgated by the Commission may be necessary to carry out the requirements of 39 USC 601. The Commission received a wide range of comments in response to Order No. 5422, but found it necessary to gather more information before promulgating regulations under Section 601. Thus, the Commission held this docket in abeyance and initiated a public inquiry seeking further input from the public.

Based on the comments received in this docket and the comments received in Docket No. PI2021-2, the Commission filed a notice of proposed rulemaking proposing new regulations necessary to carry out Section 601. Having received adequate input from the public in order to propose regulations in this docket, the Commission issued an order closing the public inquiry docket.

Based on input from commenters and to maintain stability in the mailing industry, the Commission found that no substantive regulations were necessary at that time. Nonetheless, the Commission found it necessary to issue regulations that provide some clarity on the Section 601, and its relationship with the Postal Service's regulations. The Commission also found it necessary to provide a process for the public to seek clarification of the statute or the letter monopoly should the need arise in the future.

The final rules incorporate many of the suggestions identified by commenters, as well as additional clarifying language added by the Commission; however, the substance of the rules remains unchanged.

To clarify the rule proposed § 3065.1(a), the Commission accepts the Postal Service's suggested modifications and amends § 3065.1(a).

The Commission adopts proposed § 3065.1(b) without any modification, explaining that the rule will track the language of the statute in the rule.

The Commission finds that the text of proposed § 3065.2 may unintentionally limit the Postal Service's ability to perform its ordinary operations and introduce confusion where the Commissions wishes to maintain stability. Based on concerns from TBC and the Postal Service, the Commission removes the words "issue guidance" from the text of the rules.

Finally, no commenter proposed changes to proposed § 3065.3, which provides procedures for parties seeking clarification or interpretation of the statute or regulations concerning Section 601, and thus, the Commission adopts the proposed rule without modification.

III. Final Rules

The Commission adopts regulations necessary to carry out 39 USC 601 and places them in a new section in 39 CFR part 3065.

List of Subjects for 39 CFR Part 3020

Administrative practice and procedure, Postal Service. For the reasons stated in the preamble, the Commission amends chapter III of title 39 of the *Code of Federal Regulations* by adding part 3065 to read as follows:

PART 3065 – RULES FOR LETTERS CARRIED OUT OF THE MAIL

3065.1 Applicability and scope.

3065.2 Prohibition on new regulations.

3065.3 Procedure for seeking clarification or interpretation.

§ 3065.1 Applicability and scope.

- (a) The rules in this part implement 39 USC 601, which describes certain circumstances in which letters may be carried out of the mail.
- (b) Notwithstanding placement in Postal Service chapter I of this title, the following provisions in parts 310 and 320 of this title are within the scope of this part and the Commission has the authority to interpret them: (1) Section 310.1 of this title; (2) Sections 310.2(b)(1) and (2) of this title; and (3) Sections 320.1 through 320.8 of this title.
- (c) In the event of a conflict between 39 USC 601 and applicable regulations under parts 310 and 320 of this title, 39 USC 601 shall supersede any other generally applicable requirements.

§ 3065.2 Prohibition on new regulations.

- (a) The Postal Service may not promulgate any new regulations or enter into agreements purporting to suspend or otherwise define the scope of the letter monopoly.
- (b) The Postal Service may not promulgate any new regulations purporting to interpret 39 USC 601.
- (c) The Commission has the sole authority to promulgate new regulations necessary to carry out 39 USC 601.

§ 3065.3 Procedure for seeking clarification or interpretation.

- (a) The Commission may, on its own motion, initiate a proceeding under this subpart pursuant to § 3010.201(a) of this chapter.
- (b) The Commission may provide interpretation of these regulations or 39 USC 601 upon: (1) A party's request to initiate a rulemaking proceeding with the Commission pursuant to the requirements of § 3010.201(b) of this chapter; or (2) A party's request for an advisory opinion from the General Counsel.

By the Commission.

Erica A. Barker, Secretary

Miscellany

Calendar problems

Amazon apparently now has its own calendar. As reported by *eCommerce Bytes*, Amazon failed to recognize the new June 19 federal holiday, Juneteenth, celebrated this year on Monday, June 20:

“... sellers noticed Amazon was expecting them to ship on a postal holiday (June 20) despite the fact the USPS would not be accepting or delivering mail that day. That would be a major problem, since failing to ship by Amazon’s deadline would harm a seller’s shipping metrics, which could ultimately lead to account deactivation.

“Amazon requires sellers to maintain a Late Shipment Rate (LSR) under 4% in order to sell on Amazon (The LSR represents orders that ship confirmed after the expected ship date as a percentage of total orders, over both a 10-day or a 30-day period, the marketplace explains.) ...”

Amazon didn’t seem too hurried to amend its system calendar, either; a seller who had contacted Amazon reported:

“The customer service rep understood the issue but in the end, even after long holds had nothing to offer me other than Amazon MIGHT by 2024 recognize June 19th as a federal holiday.”

“It wasn’t as though Amazon had initially discounted the Juneteenth holiday this year – but as a screenshot posted on the Amazon boards in April shows, the company had it listed on the actual date – June 19, a Sunday – but had failed to take into account the holiday was observed on June 20th.

“Unfortunately the issue may rear its ugly head next year. The screenshot shows Amazon’s recognized holidays for 2023, and missing is Juneteenth.”

Reprieve

As reported July 7 by *Stars & Stripes*, the Military Postal Service Agency has halted a move that would have taken away mail service for military retirees living overseas who use APO and FPO addresses. The agency had announced in June that it would end services for certain categories of customers beginning August 24.

Another announcement about authorized customers is expected within the next six months, a spokesman said, citing information from the Military Postal Service Agency. The Military Postal Service Agency itself did not immediately reply to questions.

Last May, the Department of Defense had directed the Military Postal Service Agency to end services for many customers after a review found they were “not authorized by law” for overseas delivery by the agency, the Office of the Secretary of Defense said last month.

Stars & Stripes added that the Pentagon did not specify who was improperly benefiting from the service, but the postal superintendent at Camp Humphreys in South Korea told the publication that overseas military retirees and Red Cross workers would be among those affected by the change.

Tens of thousands of US military retirees lived overseas as of 2020, according to a 2021 DoD retirement report. About 12,500 retirees live in Puerto Rico, with thousands more living in Germany, the Philippines, Japan, and South Korea. The military postal system delivers mail and packages overseas to service members, DOD civilians, contractors and their families, while charging domestic US postal rates.

Reports from the field

BRM: Its been reported to Mailers Hub that Business Reply Mail has been subject to delays. The USPS is tracking the mail but isn’t sharing the data with the industry. Cases have been reported where cages of reply mail are sitting waiting for a clerk to count and post the payment request.

In one – hopefully atypical – case it was reported that the RSS (the USPS retail system) went down at a post office so it closed and locked its doors preventing customers from picking up their reply mail for two days.

Box rent: Mailers Hub also has been told of instances in which customers who were late paying their PO Box rent were unsuccessful in attempts to pay the balance due through the Enterprise Payment System. As a result, the USPS required those customers – who had funds available in their EPS accounts – to physically go to the local office to make the payments. This seems to be analogous to a credit card company requiring customers to drive to the local bank to make a late payment.

Both of the above issues seem to be instances in which better USPS communication with its customers about problems it was experiencing would have helped mitigate the consequences.

Fired

As reported July 12 by *Federal News Network*, the Postal Regulatory Commission has fired its first chief data officer in light of pending felony charges following the person’s arrest in San Diego.

A spokesperson for the San Diego County Sheriff’s Department said that Russell Rappel Schmid, who was in San Diego attending a conference, was arrested July 11 by the San Diego Harbor Police Department and charged with allegedly arranging to meet with a minor for lewd purpose. He was booked into San Diego jail and released on bail early Tuesday morning; he’s scheduled for felony arraignment on July 18.

In a statement Monday, the PRC said the agency learned of the recent arrest of an unnamed employee and terminated his employment “effective immediately,” adding that it is

“... shocked and horrified at these serious allegations and maintains a steadfast commitment to promptly deal with any claims of employee misconduct.”

The PRC had hired Rappel Schmid as its first chief data officer in February. Prior to that, he was the state of Alaska’s first chief data officer, and a member of the Postal Service Office of Inspector General’s data analytics team. Rappel Schmid also served more than 20 years in the Marine Corps, as an auditor for much of that service.

Federal News Network had reported the previous night that the PRC had announced the firing of an unidentified employee after the individual had been arrested, though it did not specify the reasons for the arrest, stating simply that “Upon becoming aware of this information, the Commission has terminated this employee effective immediately.”

Washington Post reporter Jacob Bogage later identified the employee and his alleged crime.

All the Official Stuff

Federal Register

Postal Service

NOTICES

July 5: Privacy Act; Systems of Records, 39876-39880.

July 7: Product Change: Priority Mail Negotiated Service Agreement, 40559-40560.

PROPOSED RULES

[None].

FINAL RULES

July 7: Periodicals Requester Records Requirements, 40453-40454.

Postal Regulatory Commission

NOTICES

July 5: Meetings; Sunshine Act, 39876.

July 6: Modification of Special Services Product List, 40281.

July 8: New Postal Products, 40872.

July 11: New Postal Products, 41148-41149.

PROPOSED RULES

July 18: Periodic Reporting [2], 42667-42669, 42669-42670.

FINAL RULES

July 14: Market Dominant Products, 42074-42075.

DMM Advisory

July 6: UPDATE 243: International Mail Service Updates Related to COVID-19.

July 8: UPDATE 244: International Mail Service Updates Related to COVID-19.

July 8: Reminder: U.S. Postal Service New Prices Take Effect July 10.

July 8: International Service Resumption Notice – effective July 15, 2022.

July 13: UPDATE 245: International Mail Service Updates Related to COVID-19.

Postal Bulletin (PB 22602, July 14)

- Effective **August 1**, Labeling Lists L006, L007, L012, and L606 are revised to reflect changes in mail processing operations. Mailers are expected to label according to these revised lists for mailings inducted on or after the August 1, 2022, effective date through the September 30, 2022, expiration date. Due to the extensive number of changes to the L006 and L007 Labeling Lists, the changes will not be published in this Postal Bulletin. To access the L006 and L007 Labeling List changes, as well as a complete listing of EELs changes in Postal Pro (effective August 1, 2022), visit postalpro.usps.com/operations/labeling-lists/changes-july-2022.

- Correction:** In the article titled “Labeling List L051 for Parcel Select and Parcel Select Lightweight Parcels,” in *Postal Bulletin* 22594 (3-24-22, pages 6-7), the Postal Service published [DMM revisions] to clarify the use of Labeling List L051 for Parcel Select nonmachinable parcels and Parcel Select Lightweight (PSLW) irregular parcels. The article includes an error regarding the revision to the text of section 255.4.2.3e. The revision is to the text of section 255.4.2.3g, not item e. The revision to the correct item is shown [below].

[Revise the text of item g. to read as follows:]

- g. 3-digit nonmachinable sack labeling: Line 1, use L051; for Line 2, “PSVC IRREG 3D.”

Although this revision will not be published in the DMM until July 10, 2022, the standard became effective April 3, 2022.

- Effective **September 12**, DMM 102, 202, and 604 are revised to clarify the required placement of basic price markings when postage is paid by permit imprint on shipping address labels. DMM 604.5.0, “Permit Imprint (Indicia),” states that a permit imprint indicia must include the basic price marking. DMM sections 102.3.0 and 202.3.0 state that, optionally, when a customer elects to use a shipping address label, the basic price marking may be included by a service indicator composed of two elements: a service icon and a service banner. The Postal Service is revising DMM 604.5.0 to provide an exception to the required basic price marking in the permit imprint indicia when a customer elects to use a shipping address label. The Postal Service is also revising DMM sections 102.3.0 and 202.3.0 to add the shipping address label option under additional classes of mail, and the Parcel Labeling Guide (on the PostalPro website), as a reference for clarity. In addition, the Postal Service will update Quick Service Guide (QSG) 604d, “Permit Imprints,” to include the exception for price markings when a shipping address label is used.
- Effective **September 12**, DMM 243.6 and 705 are revised to include and clarify new Postal Service standards related to direct container discounts. The Postal Service is offering discounts for USPS Marketing Mail Saturation flats (including Every Door Direct Mail, not Every Door Direct Mail — Retail) and High Density Plus flats in 5-digit direct containers (all pallets regardless of entry, and sacks, and tubs entered at the destination delivery unit [DDU]). Currently, the Postal Service offers discounts for Carrier Route flats and High Density flats on 5-digit direct pallets. Under the new standard, these discounts extend to Carrier Route flats and High Density flats in 5-digit direct sacks and tubs entered at the DDU.

USPS Industry Alerts

July 5, 2022

Webinar: Back to Basics Series – Mailpiece Design

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. Our second session features Patricia Farrall, USPS, Mailpiece Design Analyst II. Patricia will be going over Mailpiece Design. A great presentation for anyone new at your place of business. Look for PCC Alerts for the upcoming sessions on:

- 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 upcoming event, please send Cathy Scocco an email 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.

Join Zoom Meeting

Phone one-tap: US: +15033361236,,1615358686#,,,,*132809# or +1952-229-5070,,1615358686#,,,,*132809#

Meeting URL: <https://usps.zoomgov.com/j/1615358686?pwd=TFc1VUN5VE02MkxGOHdhbzYvZEE4QT09>

Meeting ID: 161 535 8686; Passcode: 132809

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: 161 535 8686; Passcode: 132809

International numbers

Join from an H.323/SIP room system; H.323: sip.zoomgov.com; Meeting ID: 161 535 8686; Passcode: 132809

SIP: 1615358686@sip.zoomgov.com; Passcode: 132809

July 6, 2022

Priority Mail Includes \$100 Insurance

Effective July 10, 2022, the Postal Service will make changes to both Priority Mail Returns and Priority Mail domestic outbound shipments. In an effort to enhance the customer experience, grow revenue with added benefits and assist with becoming the Shipper of Choice with value-added services, the following changes will be implemented: 1. Priority Mail Returns service will now include \$100 baked-in Insurance. 2. Priority Mail domestic outbound service will increase baked-in insurance from \$50 to \$100. Both enhanced service options will improve the USPS' position among competitors by simplifying our product offerings and enhancing product features that customers value.

July 11, 2022

Webinar: Back to Basics Series – Effective Leadership Practices and Skills Needed to Achieve Project Goals

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. The third session features Floyd Creecy, Portfolio Manager, HeiTech Services Inc. Floyd will be covering **Effective Leadership Practices and Skills Needed to Achieve Project Goals**. In this session, you will learn about acceptable and significant risk factors connected to underperforming global projects, affect organizational innovation success, innovation preparedness, and strategic development. Along with these factors effective leadership adds an additional layer of risk. Therefore, employing management and leadership best practices can facilitate successful innovations by reducing inefficiencies, prevent surprises, and mitigate risks. Additionally, applying emotional intelligence provides leaders with the ability to understand and adapt to environmental and organizational change, manage, and integrate leadership as part of professional life based on organizational needs, while creating leaders for the future. Look for PCC Alerts for the upcoming sessions on:

- 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.

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Meeting URL: <https://usps.zoomgov.com/j/1604460700?pwd=Qk90ekJuaHdJVjIwTW5BRnJlMlRNdz09>

Meeting ID: 161 535 8686; Passcode: 132809

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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: 161 535 8686; Passcode: 132809

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SIP: 1615358686@sip.zoomgov.com; Passcode: 132809

July 12, 2022

PMG to Speak as Keynote at Southern AIM in Arlington, TX Hosted by the Greater Dallas PCC

Postmaster General (PMG) and Chief Executive Officer Louis DeJoy is speaking to the Texas and Oklahoma PCCs and the Southern Area AIM on **Tuesday, August 16, 2022**, to share his vision for the Postal Service and how he and his management team are transforming the agency for the future with the Delivering for America Plan. We encourage everyone to attend – Members and Non-Members of PCCs, Areas Inspiring Mail customers, and the PMG's Mailers Technical Advisory Committee members. The **in-person meeting** will be held from 7:00 AM – 1:30 PM CST. On-site registration and networking will begin at 7:00 AM CST. PMG remarks will begin at 9:30 AM CST. The meeting will be held at the AT&T Stadium in Arlington, TX. There will also be three workshops and a AT&T VIP Stadium tour. An in-person networking event will take place on **Monday, August 15, 2022 from 5:30 PM to 7:30 PM CST**. Attendees will include USPS VP of Corporate Affairs Judy de Torok, who looks forward to hearing from you on future membership growth opportunities. The networking event will be held at the Sheraton Arlington Hotel. *Don't delay, register today at <http://events.constantcontact.com/register/event?llr=bsufvgeab&oeidk=a07ej9t6q31f0f4d535>*. Registration fee is \$25 for both days events. This is an opportunity you don't want to miss and we look forward to seeing you at these events. For more information, please contact Cathy Scocco at cathy.m.scocco@usps.gov.

July 13, 2022

INTERNATIONAL SERVICE RESUMPTION NOTICE Effective July 15, 2022

[See the July 13 listing for COVID-19-Related International Mail Service Disruptions in the Special Section.]

July 13, 2022

USPS Simplifies Package Shipping Options

The Postal Service today filed with the Postal Regulatory Commission (PRC) certain classification changes designed to enhance and expand the First-Class Package Service (FCPS) product. This will simplify three of the USPS ground shipping options into one. USPS Retail Ground and Parcel Select Ground will be incorporated into one enhanced FCPS product. "We are improving service and simplifying product offerings for our customers," said Postmaster General Louis DeJoy. "By upgrading the customer experience and optimizing our package processing and surface transportation networks, we are becoming the best option in the industry." The changes are in keeping with the Delivering for America 10-year plan to achieve financial stability and service excellence, defined as meeting or exceeding 95 percent on-time delivery across all product categories.

July 13, 2022

2022 Mobile Shopping Promotion Webinar

Please join the New Solutions Team for our 2022 Mobile Shopping Promotion webinar on Monday, July 18, 2022, from 2:00 to 3:00 PM EST. There will be an in-depth presentation on the Mobile Shopping Promotion including how to qualify, how to enroll, and more key details that will help you succeed with this promotion. No registration is required, and the webinar will be recorded for your convenience. We look forward to your attendance. Registration for the Mobile Shopping Promotion will open on July 15, 2022. The Promotion Period runs from September 1, 2022, to December 31, 2022. Take Customers from Mail to Marketplace, No Laptop Required. Direct mail remains a valued and valuable part of the holiday marketing mix. The Mobile Shopping Promotion encourages mailers to integrate mobile technologies with direct mail to create a convenient, efficient online shopping experience for customers. Use QR codes, voice assistants, and image recognition to enable your customers to shop directly from mail and drive sales. The discount for the Mobile Shopping Promotion is 2%. To find out more about the 2022 Mobile Shopping Promotion, please visit the PostalPro page here: [2022 Mobile Shopping Promotion | PostalPro \(usps.com\)](https://postalpro.usps.com/2022-Mobile-Shopping-Promotion)

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.

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Meeting ID: 160 579 6026; Passcode: 286382

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H.323: sip.zoomgov.com; Meeting ID: 160 579 6026; Passcode: 286382

SIP: 1605796026@sip.zoomgov.com; Passcode: 286382

July 14, 2022

Release Overview – January, 2023

The US Postal Service is planning to deploy new software changes during January 2023. The list of "Planned" changes are documented as a part of January 2023 Release Overview. Please reference January 2023 release documentation attached and posted to PostalPro @ <https://postalpro.usps.com/january-2023-release-overview>.

July 15, 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 on Business Customer Gateway and Postal Wizard held on Tuesday, July 19, 2022, at 1:00 PM EST.

Meeting URL: <https://usps.zoomgov.com/j/1615857192?pwd=dGVJTjYNEFib2FGNmpJL2luZ2ZlZz09>

Meeting ID: 161 585 7192; 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 Mailers Hub webinar, go to [MailersHubWebinars.com](https://mailershubwebinars.com)

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 11 – **Mailers Hub Webinar**

October 20 – Atlantic Area AIM Meeting

October 25-26 – MTAC Meeting, USPS Headquarters

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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.

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.

July 6, 2022, DMM Advisory: UPDATE 243: International Mail Service Updates Related to COVID-19

On July 5, 2022, the Postal Service received notifications from various postal operators regarding changes in international mail services due to the novel coronavirus (COVID-19).

Iran UPDATE: Iran National Post has advised that most government-imposed restrictions related to the COVID-19 pandemic have been lifted, and the difficulties arising from the pandemic have now ended. The frequency of inbound and outbound flights to and from Iran has also largely returned to normal.

Macao UPDATE: Macao Post has advised that deliveries of letter-post items has resumed. To maintain social distancing, notification will be issued to the addressee for the collection of registered mail at designated post offices until further notice. The call center has also resumed operations, however, outbound services for EMS and parcel-post items continues to be suspended until further notice.

Netherlands UPDATE: PostNL has advised that it has lifted the suspension of signature on delivery for inbound items and is again operating as normal. However, it is important to note that PostNL will not be able to provide a signature or accept any request for proof of signature or any claim based on a missing signature for items that entered the Netherlands between March 16, 2020 and June 5, 2022.

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>.

July 8, 2022, DMM Advisory: UPDATE 242: International Mail Service Updates Related to COVID-19

On July 8, 2022, the Postal Service received a notification from Mauritius Post, the designated operator of **Mauritius**, advising that the Government of Mauritius has lifted the COVID-related restrictions as of July 6, 2022 and all postal operations have resumed as normal.

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>.

July 8, 2022, Industry Alert: INTERNATIONAL SERVICE RESUMPTION NOTICE Effective July 15, 2022

[Also issued as July 13, 2021, Industry Alert: COVID-19 CONTINUITY OF OPERATIONS UPDATE – International Service Suspension Notice]

Effective Friday, July 15, 2022, the Postal Service will resume acceptance of mail destined to the following: New Zealand. This service resumption only affects the following mail classes: 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. 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.

July 13, 2022, DMM Advisory: UPDATE 242: International Mail Service Updates Related to COVID-19

On July 12, 2022, Macao Post, the designated operator of **Macao**, provided notification that the delivery of letter-post items is suspended, and the call center is closed 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>.

BECOME A DIRECT MAIL MASTER BY ATTENDING OUR UPCOMING WEBINAR!

Direct Mail 101: Mailing Made Easy!

Wednesday, July 20th at 11am PT/2pm ET



MEET YOUR PRESENTERS!
Dave Belmonte, Senior Product Specialist
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