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Along for the Ride – Commentary

Nearly three years into the reign of Louis DeJoy as Postmaster General, many in the commercial mail production business have conceded that their irrelevance to Postal Service leadership is now nearly total. Accordingly, what they think or need matters virtually not at all at L’Enfant Plaza and, as a result, we’re all just along for the ride.

Where that ride is taking us, unfortunately, is nowhere good.

Lip service

In the thirty-one months since June 16, 2020, the Postal Service and its relationship to ratepayers have changed, some would argue, with good reason, for the worst.

The foreshadowing came when the PMG announced his 10-year Plan as a *fait accompli*, claiming it was the product of customer involvement, even though no-one could identify when or with whom any such collaboration had occurred.

Separation of the sheep from the goats soon followed, with HQ and field executives who would not swear allegiance to The Plan no longer in the picture. Similarly, anyone in the industry who questioned or criticized The Plan was ostracized as “irrelevant,” “noise,” or “resistance.”

As DeJoy observed early along, the USPS had “lost its voice” so, in a stark reversal, any information from the agency was reshaped into press releases spinning semi-accurate or misleading claims that would make a Madison Avenue adman proud. Telling customers what it wanted them to believe became the strategy, hoping that disinformation produced consistently would morph into fact.

Service is strong and steady, we’re told every week, despite the experiences of mailers and their customers whose statements, advertisements, or publications take days longer to reach recipients than USPS “data” would suggest.

Price changes are “judicious,” we’re told, even as every penny of rate authority is used to maximize semi-annual price changes, and ratepayers seek alternatives to the mail.

The Plan says the processing and delivery networks are going to be more efficient, but DeJoy himself recently commented “A lot of people say they don’t know exactly what we’re doing. Well, neither do I.” A high-level Plan is one thing; figuring-out its implementation as-you-go is something else.

Mail – letters and flats – is important, we’re told, even as the Postal Service’s top executive dismisses mail volume loss as inevitable and has decided not to “chase” declining volumes of First-Class Mail, Marketing Mail, and Periodicals. Industry and customer concerns (or reports) of even steeper volume decline in reaction to aggressive price hikes are dismissed as unfounded, even though the USPS itself has no hard data about its pricing policy’s impact on mailers and mail volume.

Meanwhile, as we’ve been told, and as changes underway demonstrate, the agency’s future is in packages – as if it could mount a real threat to competitors like UPS and FedEx.

To balance the Postal Service’s books, The Plan relies on not just price hikes, we’re told, but on cost reduction as well. However, the PMG and his Deputy (who also leads HR) have agreed to another round of raises and COLAs in the latest labor contracts. They’ve also converted tens of thousands of lower-cost temporary workers into higher-cost career employees, and have agreed to retain the contractual “no lay-off” clauses – even as mail volume declines.

Despite citing empty trucks moving “air” and the cost and inefficiency of delivery operations, the Plan will consolidate carriers into mega-facilities that require additional drive time to assigned routes. Not only will this increase fuel costs, the added driving will detract from delivery time, resulting in *more* carriers driving *more* trucks. Of course, the upside (to DeJoy) is that these new centers will have parcel sorting machines to handle the predicted growth in package volume.

So what?

The Governors of the USPS could slow The Plan’s momentum, require more exploration of alternatives, and inhibit aggressive changes to price or service, but any interest in doing so is lacking. They, too, know only what postal management tells them and, apparently, have no interest in other information sources or perspectives – even from the people who are paying the bills or their associations.

None of the foregoing is news. Customers and commercial mailers have seen and heard for themselves and, unless they’ve had too much of the PMG’s Kool-Aid, realize that the future of the Postal Service and the mailing industry is out of their hands. Like it or not, we’re all just along for the ride.

Mailers Hub subscribers get a discount on NPF registration ... see page 9.

PRC Issues Split Decision on Accounting Question

In an order issued January 25, the Postal Regulatory Commission gave each side of an ongoing argument a little of what it wanted.

Accounting

The issue at hand is simple: how the USPS should account for the \$59.6 billion in “prefunding” obligations forgiven by the *Postal Service Reform Act of 2022* enacted last April. The answer to that question would influence the calculation of USPS costs in FY 2022 and, in turn, yield rate authority for the Postal Service under the “density” adder of either about \$400 million or \$0.

The Postal Service is arguing its interpretation (to generate the rate authority) while a group of DC-area mailing industry associations is advancing its own (that would result in no “density” rate authority). Specifically, the sides are debating whether the “analytical principles” used by the PRC to validate USPS cost calculations cover the unusual situation of forgiven debt and, if so, how they should be applied. Conversely, if no “analytical principles” exist for the situation, the PRC would be urged to develop some before proceeding.

Earlier

As has been previously reported, the debate started when the Postal Service sent a letter to the Postal Regulatory Commission on August 12 stating how it planned to account for the debt relief; in an October 7 reply, the PRC endorsed the proposed treatment.

In an October 13 letter to the commission, several industry groups, including Mailers Hub, objected to both the informal way in which the matter was decided (without a formal process to amend PRC rules) and to the PRC’s acquiescence to what was seen as inconsistent and irregular from an accounting perspective. This was echoed in a formal petition for reconsideration and rulemaking filed by the Greeting Card Association on November 4.

On December 9, the PRC issued an order (No. 6363) rescinding its October 7 letter and ordering the Postal Service, “should it wish to proceed” in adopting new accounting methods, “to file a petition seeking a change in accepted analytical principles ... not later than December 21, 2022.” The USPS responded quickly, filing its petition for rulemaking (docketed as RM2023-2) on December 12.

The mailer group filed its own motion on December 19 asking for “reconsideration of [the PRC’s December 9 order] or, in the alternative, petition to change an analytical principle pursuant to [PRC rules] to address the proper accounting for FY 2022 retiree health benefit normal costs.” The USPS, of course, opposed the motion.

The decision

The PRC’s January 25 order (No. 6430) came down in the middle. It denied the mailers’ motion for reconsideration (pleasing the USPS) but agreed to open a rulemaking (pleasing the mailer group). The first thirty pages of the commission’s 32-page order reviews the history of the case and explains the PRC’s reasoning in reaching its earlier and instant decisions. Following that reasoning in turn requires the ability to grasp the unique way the USPS accounts for costs.

As the PRC stated”

“... the Commission’s regulations permit that the Postal Service use only accepted analytical principles in its annual periodic reports to the Commission. ... Accepted analytical principles refer to the analytical principles that were applied by the Commission in its most recent [Annual Compliance Determination] unless a different analytical principle subsequently was accepted by the Commission in a final rule. ... The filings before the Commission contain arguments concerning both what the accepted analytical principles related to the treatment of retiree health benefit normal costs *currently are* as well as arguments about whether and how the accepted analytical principles *should be changed*.

“The primary question that needs to be resolved with respect to the request for reconsideration is what the accepted analytical principles for the treatment of retiree health benefit normal costs are *currently*. ...

“Order No. 6363 found that the current accepted analytical principles do not require the Postal Service to include costs not incurred (such as retiree health benefit normal costs in FY 2022) in its annual periodic reports to the Commission and that ‘[i]ncluding such costs not incurred by the Postal Service would require a change in accepted methodology.’”

The mailer group disagreed, arguing that the *current* analytical principles require treating the costs as they have been since 2008, but the commission did not accept that position, explaining how the “relevant analytical principle relates to the concepts of ‘economic costs’ and ‘accounting costs’” underlie its reasoning.

The PRC further asserted that

“Mailers appear to misread Order No. 6363 [which] concluded that ‘[i]ncluding such costs not incurred by the Postal Service would require a change in accepted methodology.’ Because the Commission found with respect to retiree health benefit normal costs that the accepted analytical principles reflected the approach advocated by the Postal Service, and not the Mailers, the Commission further stated that ‘should the Mailers desire the Commission rely on a different analytical principle with regard to the ... normal cost payments (which the Postal Service does not incur in FY 2022 or beyond), Mailers may petition the Commission for a change [as provided by PRC regulations].’”

In turn, the commission explained that its December 9 order (No. 6363) “appropriately placed the burden to petition and advocate for such a change on the Mailers.”

In conclusion, the PRC stated:

“The primary basis of the Mailers’ request for reconsideration of Order No. 6363 is that the Commission erred in determining that the current accepted analytical principles do not require retiree health benefit normal costs to be treated as accrued and attributed to products in FY 2022. ... As discussed in Order No. 6363 ... the Commission finds that the Mailers’ view of the current accepted analytical principles is incorrect. Thus, the Commission denies the Mailers’ Motion and Petition with regard to the request for reconsideration of Order No. 6363.

“In the alternative to granting reconsideration in their favor, the Mailers request that the Commission initiate a rulemaking proceeding and determine in that proceeding that retiree health benefit normal costs should be treated as accrued and attributed to products in Docket No. ACR2022 (which will culminate in the FY 2022 ACD). The Commission grants the request to consider the Mailers’ petition to change the analytical principles applied to the FY 2022 retiree health benefit normal costs and provides notice of the proposed rulemaking”

Proposed rule

The commission's proposed rule would adopt "Proposal One" that the mailers group had advanced as an alternative if the PRC denied its motion for consideration (which it did). As explained by the PRC:

"The Mailers assert that treating retiree health benefit normal costs as accrued each year and attributing them would improve the quality, accuracy, and completeness of the data in the Postal Service's periodic reports when compared to the current analytical principles. ... The Mailers further assert that accruing and attributing retiree health benefit normal costs in the year in which they are earned 'is consistent with economic cost accounting' as these normal costs 'are a component of the economic cost of postal work.' The Mailers claim that from a practical perspective ... Proposal One is preferable because excluding retiree health benefit normal costs would result in inaccurate cost avoidance estimates, which would, in turn, result in inaccurate compliance determinations with respect to workshare discounts. The Mailers assert that this harm would not just occur in FY 2022, but would result in future distortions in workshare discounts even if the treatment of normal costs changed in the future. The Mailers also state that 'the categorical exclusion of select costs would also erode the accuracy of the Commission's compliance findings with respect to ... competitive products.'

"The Mailers state [that] Proposal One 'is fully consistent with the legal standard that attributable costs are "the direct and indirect postal costs attributable to each class or type of mail service through reliably identified causal relationships"' (quoting [statute]). They assert that '[e]arned [retiree health benefit] costs plainly satisfy that standard, and attributing them improves the quality of postal accounting by making it more consistent with statutory requirements.' The Mailers state that according to the Postal Service's FY 2022 10-K, retiree health benefit normal costs were \$4.4 billion in FY 2022, and that 'proper treatment of these costs would increase attributable costs by approximately \$2.6 billion ... consistent with attribution levels in recent years.' The Mailers represent that nothing in ... Proposal One would affect how those costs are currently attributed to particular classes and products."

The commission set February 8 as the deadline for comments on the proposed rule. Given the record of the docket (RM2023-3) so far, it's likely that comments in opposition to the change will be filed by the Postal Service, while comments supportive of the proposal will be submitted by mailer groups. It's also likely that all will invoke (and argue for or against) the same economic and accounting principles that were debated up to this point.

Tea leaves

It's difficult to decide who's winning or losing at this point. Though the USPS seems to have won the latest battle, given that it's been allowed to implement the approach described in its letter last August, the mailers' group seems to have the chance to win the war, if the commission adopts Proposal One at the end of the rulemaking process.

The commission emphasized that the *current* analytical principles supported the USPS approach, and could have stopped there without opening the door to changing, or adopting new analytical principles through rulemaking.

That it did initiate a rulemaking could be interpreted as a willingness to adopt new analytical principles – or simply going through the motions to follow due process. Given the likelihood that the losing party may take the matter to federal court, the PRC would be keen to demonstrate that it gave proper consideration to both parties' arguments about what the analytical principles *are* or *should be*.

There's a bit of time pressure: the PRC has to conclude its analysis of the Postal Service's *Annual Compliance Report* and issue its resulting *Annual Compliance Determination* by the end of March. That would give the commission about seven weeks from the close of the comment period to analyze comments, issue a final rule (or decide not to), and then apply the new analytical principles (if there are any) to the evaluation of USPS finances in the ACR, and produce the ACD. So we'll have to wait a bit to see who wins in the end.

La Poste Services Contrast with USPS Options

There are over 190 posts in the world, and that each does things its own way is no surprise. However, the largest post, the US Postal Service, also is arguably among the most restricted in its business offerings, as can be illustrated by a January 24 article in *The Connexion* detailing "12 things you can do at a French post office other than buy stamps."

Over there

In common with the USPS, *La Poste* will take a change of address and sell you shipping materials. However, the French will connect your COA to other "administrative sites" and sell you boxes and tape to move your house. It will even connect you to vendors who sell all sorts of mailboxes to use at your new address. Both also sell greeting cards, but *La Poste* will print out for you a card you can design yourself using an online app. It also makes available letter templates for uses ranging from complaints to love letters (it is France, after all).

Beyond those postal-related activities is where the differences appear. Working with partners, *La Poste* will sell you COVID-related supplies, assist in arranging delivery of medicine, and connect to services for the elderly, such as meal delivery, emergency alerting devices, drop-in wellness checks, and finding help for housework.

And if you need to pass your driver's test, you can take the exam at a *La Poste* facility.

Over here

Because it developed as a government-operated hard-copy delivery service, the USPS never entered into private sector services like telecom or banking as other posts did. The USPS also is highly regulated in its "non-postal" business activities, selling only items having some connection to mailing, shipping, or philately, lest it compete with outside businesses.

While these limitations on the services and products it can offer have been imposed on it, at the same time the agency has been slow to develop partnerships that would expand its value and increase traffic at its over thirty thousand retail outlets. Over time, it's been encouraged to pursue alliances to position vendor kiosks in post office lobbies or provide access to a range of government services, but has been less than aggressive in developing these offerings.

Despite an element of the Postmaster General's Plan that would "transform retail locations into go-to destination centers," little in the way of developing the additional services envisioned has actually occurred. As a result, while other posts are innovating, America's post continues to lag behind.

Concerns Over Developments in International Mail

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The electronic world has been unkind to at least one post, as demonstrated earlier this month.

Ransomware



Royal Mail, the UK's designated postal operator, was hit with a ransomware attack on January 10 or 11, stopping their ability to send all outbound international mail. Imported mail was subject to "slight de-

lays" and domestic mail within the UK was not affected. Royal Mail suspended accepting all mail bound for foreign countries.

Originally called a "cyber incident," it took a few days before the extent and cause of the attack were disclosed. The ransomware attack is attributed to the LockBit cartel, a Russian-linked group. The exact details are not publicly available; the Royal Mail is cooperating with security authorities and working with internal and other consultants to mitigate the effects of the attack.

On January 18, Royal Mail was able to send a "limited number" of outbound items using a work-around created to overcome the dispatch problems.

As of 7pm January 19 in the UK, letters not requiring a customs declaration were accepted to foreign addresses.

By Monday, January 23, Royal Mail was able to resume dispatch of letters and packages to an increasing number of countries. They continue to request that customers not mail packages to other countries. It remains unclear when international mail from Royal Mail will return to normal.

As more and more countries require Advance Electronic Data (AED) before accepting mailed packages from other countries, data systems for international mail dispatch have become necessary to the flow of mail internationally.

As we all know, the number of attacks by hackers has been increasing year to year. Postal operators in developed and developing countries, with networks accessed by hundreds of mailers, are particularly vulnerable and must guard against intrusion. The Royal Mail ransomware attack is a warning to us all.

USPS electronic customs forms

Customs forms are required for goods sent to international addresses and for military and diplomatic mail (APO, FPO, and DPO addresses) although APO, FPO, and DPO addresses are domestic mail. (For military and diplomatic mail, details are regularly updated in the *Postal Bulletin*.) Domestic mail to Puerto Rico and other destinations outside the 50 states and DC also require customs forms for goods.

There were an unusual number of returned or rejected items to military and diplomatic addresses because of incomplete or incorrectly completed customs forms in late November and December.

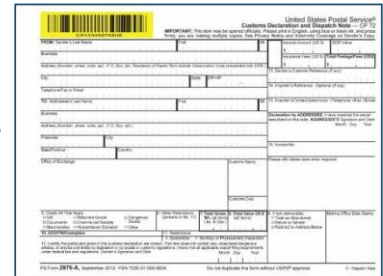
USPS held a webinar on January 6 addressing customs form requirements for military and diplomatic mail. Although some misunderstandings by USPS staff about the processing of this mail came up during the webinar, the major problem is with the electronic customs forms and the correct completion of all customs forms.

Efforts to get action from USPS have increased recently. A meeting between mailers and USPS staff has been arranged while mailers are at USPS headquarters for the MTAC meetings at the end of January.

The online USPS customs form continues to be problematic for mailers.

The USPS app returns time-out and other errors frequently enough to frustrate customers. An attendee to a webinar on international trends submitted the question

"Why is it that the USPS online custom form goes down and causes frustration for customers?" It's a question that deserves an answer.



USPS initiative on hold

The Outbound Commercial Product Initiative (OCPI), previously discussed in issues of *Mailers Hub News*, has been "paused" by the USPS after more than three years of effort and, presumably, costs. OCPI was the program to send packages from USPS via commercial carriers to selected countries using commercial customs documentation and clearance. As commercial shipments, delivery to post office boxes or over-the-counter delivery at post offices would not be available.

The USPS released the following statement.

"Right now the OCPI program has been put on hold. After reanalyzing the status of current market and foundational tenets of the program, we determined that drastic market changes had significant negative impacts on the program's technical and operational processes. The organization still believes that a commercial solution is needed for USPS to remain competitive in the international arena, particularly as it pertains to the growing eCommerce channel."

This statement suggests we will see further USPS proposals for delivery of packages from the US in those countries with poor delivery service using commercial customs clearance and delivery. While improvements would be welcome, mailers have expressed reservations and concerns about OCPI for some time.

A previous initiative using international commercial delivery services was last attempted – and abandoned – by USPS about 20 years ago. An effective and functional international commercial option may take consideration of the flaws of previous plans and greater cooperation between USPS, commercial shippers, and the mailing community.

GAO Finds Little Difference in Urban vs. Rural Service

Despite the common allegation that customers in urban areas get better service from the USPS than people in rural locations, a study by the Government Accountability Office found that any difference is small and favors neither.

Produced in response to a request from Senator Margaret Hassan (NH), the 35-page report reviews

“... on-time service performance in rural and urban areas and the impact of USPS’s operational changes on rural on-time service performance. This report describes:

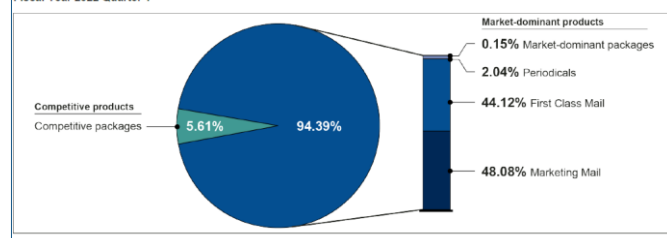
- the extent that USPS’s on-time service performance for mail and packages differs between rural and urban areas, and
- how USPS assesses the effect of operational changes on rural areas before or after making such changes.”

The GAO noted that

“USPS’s implementation of past operational changes have led to concerns about or have negatively impacted the timeliness of mail delivery (also known as “on-time service performance”). For example, we reported in 2015 that operational changes USPS made in 2012 and 2013 led to concerns that rural areas were facing declining on-time service performance. ... In 2020, the USPS Office of Inspector General (OIG) reported that USPS had implemented operational changes in July and August 2020 without analyzing likely on-time service performance impacts, and that decisions about these changes lacked consistent internal communications. The OIG found that these operational changes resulted in a significant drop in the quality and timeliness of mail delivery.”

In doing its study, the GAO “analyzed USPS on-time service performance data for domestic mail from October 2020 through December 2021 ... for four categories of mail products that comprise over 99 percent of the mail volume that USPS processes [First-Class Mail, Marketing Mail, Periodicals, and competitive products].”

Figure 2: Percentage of U.S. Postal Service (USPS) Total Mail Volume by Product Type, Fiscal Year 2021 Quarter 1 through Fiscal Year 2022 Quarter 1



Findings

The GAO reported that

“We found few statistically significant differences that were 5 percentage points or greater in on-time service performance between rural areas and urban areas for the October 2020 through December 2021 period, based on our analysis of available USPS data At the national level and postal area level, we found no differences of 5 percentage points or greater in on-time service performance for any of the mail products we analyzed. At the postal district level, none of the 50 districts had a difference of 5 percentage points or greater in on-time service performance between rural and urban areas for competitive products.

“With regard to one type of market-dominant product – Periodicals – we found that eight of the 50 postal districts had a difference of 5 percentage points or more in on-time service performance between rural and urban areas We also found that some of these differences favor urban areas and that some favor rural areas”

On-time Performance Differences between Rural and Urban Areas for Selected USPS Product Types, by Postal District, FY 2021, Q1, through FY 2022, Q1			
	First-Class Mail	Marketing Mail	Periodicals
National	-0.44%	-0.84%	0.2%
Areas			
Atlantic	0.06%	-0.73%	1.38%
Central	1.85%	0.95%	2.27%
Southern	-0.1%	-0.74%	0.62%
Westpac	-2.75%	-1.49%	-2.44%
Districts			
Alaska	-0.89%	-2.87%	0.07%
AL-MS	1.42%	0.23%	1.88%
AR-OK	-0.78%	-1.38%	-1.52%
AZ-NM	-0.45%	-0.27%	-0.84%
California 1	-1.46%	-1.06%	-2.92%
California 2	-1.58%	-1.21%	-1.44%
California 3	-1.17%	-1.45%	-4.04%
California 4	-0.82%	-0.66%	0.20%
California 5	-1.66%	-0.96%	-3.15%
California 6	-1.14%	-0.99%	-3.72%
Connecticut	0.69%	-0.11%	-1.97%
CO-WY	-1.26%	0.15%	-4.41%
DE-PA 2	-0.82%	0.05%	8.16%
Florida 1	-0.62%	-0.37%	-0.53%
Florida 2	-0.02%	-0.03%	0.88%
Florida 3	-0.25%	0.21%	5.94%
Georgia	2.72%	2.67%	8.75%
Hawaii	-9.68%	-5.27%	-5.63%
IA-NE-SD	0.60%	-0.09%	-0.91%
ID-MT-OR	-1.82%	-0.85%	-2.31%
Illinois 1	3.18%	2.91%	7.77%
Illinois 2	0.20%	-0.96%	-4.15%
Indiana	1.06%	0.45%	1.21%
KS-MO	0.89%	-0.38%	3.55%
KY-WV	0.94%	-0.24%	0.40%
Louisiana	1.37%	2.12%	5.46%
MA-RI	-0.49%	-1.67%	-6.29%
Maryland	0.85%	1.22%	10.18%
ME-NH-VT	0.05%	-0.34%	-1.40%
Michigan 1	1.91%	1.50%	4.41%
Michigan 2	-0.29%	-0.86%	-1.37%
MN-ND	0.27%	1.03%	2.51%
New Jersey	-0.57%	0.25%	2.85%
New York 1	-0.93%	-0.30%	1.75%
New York 2	0.85%	-0.82%	2.49%
New York 3	0.29%	-0.36%	0.27%
North Carolina	-0.21%	-0.79%	1.82%
NV-UT	-2.26%	-1.12%	-3.77%
Ohio 1	0.23%	0.56%	-3.08%
Ohio 2	1.08%	-0.31%	-4.40%
Pennsylvania 1	-1.63%	-1.59%	-0.92%
Puerto Rico	1.61%	-1.49%	2.07%
South Carolina	1.26%	0.43%	2.41%
Tennessee	2.02%	0.82%	1.24%
Texas 1	0.67%	-0.50%	-0.39%
Texas 2	-0.57%	-0.85%	-1.05%
Texas 3	-0.23%	-0.90%	0.22%
Virginia	-2.92%	-3.85%	-4.56%
Washington	0.62%	0.24%	-0.73%
Wisconsin	-0.07%	-0.81%	1.17%

Source: GAO analysis of USPS information. | GAO-23-105169

Negative numbers indicate better on-time performance in urban areas, and positive numbers indicate better on-time performance in rural areas. Differences of 5 percentage points or more are in bold font. Information on USPS’s competitive products are not included here because USPS considers this information to be business proprietary.

Changes to the above data are likely over time, given the ongoing revisions to USPS transportation, processing, and delivery networks, but whether perceived (or actual) differences persist between urban vs rural service remains to be seen.

Miscellany

Indoctrination

According to the January 13 *Link*, the Postal Service has sent out the fifth in a series of postcards to employees messaging them about the Postmaster General's 10-year Plan.



Some observers may consider these mailings only as keeping workers informed, while others may see them as a subtle attempt to win advocates for The Plan among the agency's craft employees. Interestingly, one publication, *eCommerce Bytes*, was a little less ambiguous in its perspective:

"The US Postal Service sent the latest in a series of postcards to indoctrinate its workforce on the benefits of its Delivering for America 10-year plan. The USPS recently mailed the latest postcard (the fifth in the series) to Postal Service employees' homes. "In addition to touting its efforts to transform the postal delivery network, the postcard included a QR code directing employees to an online survey to test their knowledge of the Postal Service's 10-year plan to modernize the organization.

"The survey said the organization was gauging employees' knowledge and awareness of the plan to help further improve efforts to inform them about the plan and related initiatives. 'Participation is voluntary and anonymous,' it stated.

"In addition to asking if survey participants had heard of the Delivering for America plan, it asked where they received information about it – options include Stand-up Talk; Supervisor or Manager; and Coworkers. ..."

While the writer stopped short of speculating whether employees eventually would be stood in a circle to recite quotations from The Plan, the opinion of the Postal Service's "education" campaign was clear nonetheless.

Barcoded trucks

As reported in the January 24 *Link*, the Postal Service has "... installed new barcodes on nearly 95% of the Postal Service's fleet of owned and leased trailers and box trucks. The new 99V barcodes use two-dimensional data matrices, which are also known as QR codes, and are replacing traditional barcodes. The barcodes, when scanned, provide a vehicle identification number and information about the vehicle, such as its type and dimensions."

A spokesperson added that the barcodes "improve visibility of packages as they move through the network" and allow managers to know "what is in these trucks and trailers and where they are at any given moment."

Not stated was whether knowing where *all mail* is considered as important as knowing where packages are.

More people

Even as mail volume ebbs, the Postal Service continues to commit to more career employees. As disclosed January 20 by the National Association of Letter Carriers (city carriers):

"NALC and USPS have agreed to memorandum of agreement ... providing an additional 36 installations in which the Postal Service will convert all city carrier assistants to part-time flexible (PTF) career status as well as hire new PTF city letter carriers in these installations in order to reach and maintain an identified number of PTF city letter carriers on the rolls for each installation. The Postal Service is required to convert all city carrier assistants in the identified installations to part-time flexible career status as soon as practicable, but no later than the first day of the second full pay period following the date of the respective agreement. A total of 283 installations have now been added to the all-career model, with over 4,000 PTF positions created, through these agreements."

USPS management may see these agreements as buying labor peace by expanding union membership, but ratepayers ask why the agency isn't instead seeking a more flexible and less costly workforce. Moreover, how the USPS – that's agreed to "no-layoff" clauses with its unions – plans to shed career workers as mail volume declines wasn't explained.

All about us

As Congress wrestles with the federal debt ceiling and the broader issue of government spending, the American Postal Workers Union sought to assure members that they'd be protected from any financial crises impacting the rest of the nation's government or business sectors. In a January 22 statement, the union's president declared:

"... postal workers and other federal employees should rest assured that their retirement benefits are secure at this time. No postal worker or federal retiree will see a gap or reduction in pension payments or healthcare coverage. ..."

While the union faithful may welcome their leader's assurances, it's another question whether the union ever considers how such self-centered declarations are interpreted by outsiders less insulated from the real world.

Strong service?

In late January, the *Postal Times* website carried a series of links to stories from locations nationwide about complaints from citizens or Congressional representatives about late or delayed mail service; other sites regularly link to similar reports by media outlets. Though isolated incidents are to be expected, the frequency and ubiquity of such reports are more concerning.

Nonetheless, the Postal Service's weekly releases continued to assert great service. In its weekly release on January 20, for example, the agency headlined "Consistent Performance Across All Mail Categories," and the following week assured that "Average Time to Deliver Across Postal Network Steady at 2.5 Days."

Given the paucity of reliable and comprehensive data, it's hard to evaluate reports of days without mail and the service claims of the Postal Service. Nonetheless, comparing the agency's PR to real customers' experiences strongly suggests that service isn't as strong as we're being told by the USPS.

All the Official Stuff

Federal Register

Postal Service

NOTICES

January 30: Meetings; Sunshine Act, 5932.

PROPOSED RULES

January 23: Mailing Currency, 3944-3945.

FINAL RULES

January 25: Post Office Box Fee Refund, 4728-4729.

Postal Regulatory Commission

NOTICES

January 18: Postal Service Performance Report and Performance Plan, 2976-2977.

January 19: Income Tax Review, 3442.

January 25: New Postal Products, 4856-4857.

PROPOSED RULES

[None].

FINAL RULES

January 19: Competitive Postal Products, 3313-3315.

DMM Advisory

January 20: Change delayed: updated labels, forms not yet available.

January 24: Extension of PAVE Cycle S/MAC Batch Software Certification Cycle.

January 24: Monthly Labeling List Changes.

Postal Bulletin (PB 22616, January 26)

- **DMM Correction:** In the article titled “DMM Revision: Bulk Insured Claims,” in *Postal Bulletin* 22615 (1-12-23, page 5), the Postal Service published revisions to DMM 609.1.2 to reflect

updates in the standards for filing bulk insured claims. The article stated that the revisions will publish in the April 3, 2023, DMM edition. That edition is canceled. The revisions will publish in the July 9, 2023, DMM edition.

- Effective **January 26**, DMM 203, 204, 207, 243, 245, 602, and 705 are revised to remove references to sacks as a handling unit for USPS Marketing Mail and Periodicals flats. Mailers of carrier route, 5-digit scheme carrier routes, and 5-digit carrier routes USPS Marketing Mail and Periodicals flat mail will continue to be allowed to use sacks as a handling unit for acceptance and entry. Sections 243.6.3.4, 243.6.5.3, 243.6.5.4, 243.6.7.3, and 705.8.10.3f are being revised to clarify price separations eligible for the carrier route (CR) bundle/container discount and the sectional center facility (SCF) pallet discount. In addition, the Postal Service will update Quick Service Guides (QSG) 207d, *Periodicals Nonbarcoded Flats*; 207f, *Periodicals Barcoded (Automation) Flats*; 240e, *Commercial – USPS Marketing Mail Nonautomation Flats*; 240f, *Commercial – USPS Marketing Mail Automation Flats*; 240g, *Commercial – USPS Marketing Mail Carrier Route Flats*; and 705a, *Pallets*, to remove references to sacks as a handling unit for USPS Marketing Mail and Periodicals flats. These standards, which the Postal Service will publish in the delayed January 22, 2023, DMM edition, are effective immediately.
- Effective **January 26**, the IMM Individual Country Listing for Belgium is revised to reflect an additional prohibition.
- Effective **January 26**, IMM 613.1 is revised to reflect a change of address for a company desiring to be a Postal Qualified Wholesaler to submit a letter of request to participate in the Postal Qualified Wholesaler Program.
- The 2022 *Postal Bulletin* Annual Index is contained in this issue.

USPS Industry Alerts

January 19, 2023

2023 National Postal Forum Inspirational Speaker Announced – Robyn Benincasa

Are you ready to hear from a dynamic speaker who has been breaking barriers and making an art form of extreme performance for years, and is also known as an inspirational force for leadership and teambuilding? Please join us at the National Postal Forum’s (NPF) Partnership for Growth luncheon on Wednesday, May 24, 2023, as we welcome motivational speaker Robyn Benincasa – World Champion Adventure Racer, New York Times best-selling author, 3x Guinness World Record Endurance Kayaker, and a Veteran Firefighter. She is featured by Harvard Business Review as one of the World’s Top 50 Speakers. In addition to her pedigree as a public speaker, she is the author of *How Winning Works* which details how to climb new levels of professional success. Robyn will also share her ‘8 Essential Elements of Extreme Performance’ which promotes collaboration, innovation, and a culture that leads to breakthrough results. You don’t want to miss this unique opportunity to hear from Robyn. NPF attendees with Full-Registration privileges are invited to join the Partnership for Growth luncheon which honors NPF sponsors, partners and recognizes companies that have demonstrated unparalleled leadership and success in the business of mailing and shipping. NPF is back in person again this year and will be held May 21 – May 24, 2023, in Charlotte, NC. NPF is regarded as the premier postal educational tradeshow in the mailing and shipping industry – this year’s Forum will build upon the growing momentum of the Delivering for America Plan. Educational workshops will focus on mailing, marketing, data, and shipping – with the overall goal for attendees to develop effective business strategies that increase return on their investment dollars. To register for NPF go to npf.org. We can still assist you with discounts, send an email to NPFFeedback@usps.gov.

January 20, 2023

Consolidation of Commercial Base and Commercial Plus for Priority Mail and Priority Mail Express

The Postal Service is consolidating “Commercial Base” and “Commercial Plus” into one “commercial” price category for both our Priority Mail (PM) and Priority Mail Express (PME) products. Consolidating the “Commercial Base” and “Commercial Plus” price categories will simplify the PM and PME pricing structures making them easier for our commercial customers to use and understand. The eligibility standards for PM and PME commercial mail will mirror the current “Commercial Base” price category. The two categories, “Commercial Base” and “Commercial Plus” already consist of the same pricing tables as well as eligibility standards. The Notice 123 – *Price List* will be updated to reflect the combined pricing tables. The qualifications for Commercial Pricing will use the current Commercial Base qualifications as listed in the *Domestic Mail Manual, Mailing Standards of the United States Postal Service* (DMM). Commercial pricing for customers with existing Negotiated Service Agreements (NSAs) will not change. After January 22, 2023, any new contracts will be written as “Commercial.” The *Domestic Mail Manual* (DMM) and *Mail Classification Schedule* (MCS) will reference commercial pricing as “Priority Mail Commercial (Commercial Plus).” Once all old NSA contracts with the Commercial Plus reference have expired, the “Commercial Plus” parenthetical will be removed from the DMM and MCS.

January 20, 2023

Eliminating Legacy Service Type Codes (STCs)

Effective January 22, 2023, the US Postal Service will be eliminating 41 legacy service type codes (STCs). Legacy STCs are those that consist of a 2-digit product/service combination that do not follow the Postal Service's current Intelligent Mail package barcode (IMpb) regulations/requirements. Eliminating Legacy STCs will support product simplification efforts, improve visibility and tracking, help to reduce fraud, and encourage the use of Intelligent Mail package barcodes (IMpb). After implementation on January 22, usage of eliminated STCs will be assessed the current IMpb non-compliant fee of \$0.25 per piece if the customer falls below the barcode quality threshold of 98% (as listed in Publication 199, *Intelligent Mail Package Barcode (IMpb) Implementation Guide*).

January 20, 2023

Eliminating Legacy Service Type Codes (STCs) Change Delayed – Updated Labels and Forms Not Yet Available

The Postal Service has delayed a previously announced plan to update a legacy label and several forms that do not comply with current Intelligent Mail package barcode (IMpb) requirements. The following label and forms can continue to be used until further notice: Label 400, *USPS Tracking*; PS Form 153, *Signature Confirmation Receipt*; PS Form 3800, *Certified Mail Receipt*; PS Form 3813, *Insured Mail Receipt \$500 and Under*; PS Form 3813-P, *Insured Mail Receipt Over \$500*.

January 20, 2023

Update: Work-Around Supporting the Postal Service's 30-Day Grace Period for Implementation of Sack Elimination

Effective: January 22, 2023

The Postal Service is announcing that there will be 30-day grace period following the implementation of the new Sack Elimination rules for Periodical and USPS Marketing Mail flats on January 22, 2023. This grace period is to allow the mailers time to modify their operations, adjust their mailing plans, and any other procedures to accommodate this change. It will also allow for receipt of mail already in transit for drop ship at the time of the implementation. During the grace period, the Postal Service will continue to accept and process this flat volume in sacks, bundles, or flat trays without penalty or assessment. The grace period will expire February 21, 2023. At that time, mailers will be required to be in compliance with the new rules. Mailers that are able are encouraged to adopt the new rules as soon as they are ready. Mailers submitting Periodicals mailings will be allowed to identify their sacks as trays in their eDoc but will be charged the Flat Tray Container Pricing. At the end of each week a Data repair will be completed for any mailer submitting Periodical mailings electronically to complete an adjustment for the difference between the Tray Pricing and the Sack Pricing accordingly. Work Around for Submitting eDoc for PER and USPS Marketing Mail during the 30-Day Grace Period for Implementation of Sack Elimination:

Mail.xml: QualificationReportDetailCreateRequest-> QualificationReport -> ContainerInfoData -> ContainerType Updated from sack choice to "F"; PeriodicalStatementCreateRequest-> CreatePeriodicalStatement-> PeriodicalLineItemData-> ChargeableContainerType Updated from "Sacks" to "Trays"

Mail.dat: Periodical & Marketing mail flats in sacks that are not either 3-Digit / SCF / CR / 5-Digit sort entered at a DSCF or CR / 5-Digit sort entered at a DDU need to update the .csm Container Type (CSM-1005) from their sack value to F = Flat Tub.

Mailers that require an extension for use of sacks after January 22, 2023 must complete the spreadsheet posted here: Sack Extension Request Sheet | PostalPro (usps.com). Mailers must complete the Sack Extension Request sheet each week and email it to PCSC@usps.gov with the subject line SACK EXTENSION each Friday by 11:59 pm EST with the list of that week's impacted mailings. Postal Wizard/Manual postage statements presented for Periodical mailings will need to have manual adjustments to obtain the difference in tray pricing to parcel sack pricing. BMEUs will complete those manual adjustments at the time of mailing. If you have any questions, please contact your local Business Mail Acceptance personnel.

January 23, 2023

Extension of PAVE Cycle S/MAC Batch Software Certification Cycles

Attention: PAVE/MAC Batch Software Vendors. This advisory is to inform you that there will be no PAVE Cycle S/MAC Batch Certification testing for the 2023 Price Change release. USPS has decided to extend the current PAVE process until January 21, 2024, and will not be testing or accepting files for testing during the transition into 2023. For more details relating to the January 22, 2023, price change, please visit Postal Explorer website at <https://pe.usps.com> or POSTALPRO at <https://postalpro.usps.gov/>. Previous Product certifications achieved during PAVE/MAC Batch Cycle S will be extended on the Certified Products Lists (CPL) until January 21, 2024. ZAP Certification will also be extended to all applicable products if the vendor's National Zone Charts Matrix subscription is kept current until January 21, 2024. Vendors should not attempt to submit online order forms as you have in the past. Vendors should direct their correspondence regarding PAVE Cycle S extension to: Pricing and Classification Service Center, 90 Church St Ste 3100, New York, NY 10007-2951. PCSC@usps.gov 212-330-5300.

January 24, 2023

Southern Area - Florida 2 Hurricane Ian Updates: Marketing Mail Suspension Lifted Effective February 4, 2023, Resume Operations, Alternate Location Change and Temporarily Suspended Facilities

EFFECTIVE FEBRUARY 4, 2023 The Southern Area Delivery and Retail Operations groups will be lifting the suspension of USPS Marketing Mail letters and flats to the ten specific 5-digit ZIP Codes in the Fort Myers and Naples FL area listed directly below. USPS Marketing Mail letters and flats destined to the ten 5-Digit ZIP Codes below will be accepted at the facilities effective Saturday, February 4, 2023:

Bokeelia PO, 5980 String Fellow Rd, Bokeelia FL 33922-9998; **Captiva** PO, 14812 Captiva Dr SW, Captiva FL 33924-9800; **Fort Myers (Downtown)**, 1350 Monroe St, Fort Myers FL 33901-9998; **Fort Myers Beach** PO, 200 Carolina Ave, Fort Myers FL 33931-9998; **Pineland** PO, 7450 Pineland Rd, Pineland FL 33945-9800; **Placida** PO, 8601 Placida Rd, Placida FL 33946-9998; **Saint James City** PO, 4480 Stringfellow Rd, St James City FL 33956-9998; **Sanibel** PO, 650 Tarpon Bay Rd, Sanibel FL 33957-9998; **Everglades City** PO, 601 Collier Ave, Everglades City FL 34139-9800; **Naples (Downtown)**, 860 6th Ave S, Naples FL 34102-6706.

EFFECTIVE IMMEDIATELY

The **Balm** PO will resume operations: Balm PO, 15036 Balm Rd, Balm, FL 33503

The alternate location for the **Fort Myers Beach** PO has changed: Alternate location: Mobile Retail Unit (MRU) at the Fort Myers Beach PO Parking Lot, 200 Carolina Av, Fort Myers Beach FL 33931. Drop shipments of Periodicals and Packages will be accepted at the MRU. (Please note that the Marketing Mail suspension for Letters and flats remains in place for this impacted ZIP Code until February 4, 2023.)

Due to Hurricane Ian impacts, operations in the following facilities remain temporarily suspended until further notice. The alternate location for each facility is provided.

Auburndale PO (TEMPORARILY SUSPENDED) Alternate location: MRU at the Auburndale PO Parking Lot, 201 E Lake Ave, Auburndale FL 33823. Drop shipments will be accepted at the Lakeland PO, 2800 Lakeland Hills Blvd, Lakeland FL 33805.

Downtown Fort Myers Station (TEMPORARILY SUSPENDED) Alternate location: Page Field PO, 2655 N Airport Rd, Fort Myers, FL 33907. Drop shipments of Periodicals and Packages will be accepted at the Page Field PO. (Please note that the Marketing Mail suspension for Letters and flats remains in place for this impacted ZIP Code until February 4, 2023.)

Downtown Naples Station (TEMPORARILY SUSPENDED) Alternate location: Naples Main PO, 1200 Goodlette-Frank Rd N, Naples, FL 34102. Drop shipments of Periodicals and Packages will be accepted at the Naples Main PO. (Please note that the Marketing Mail suspension for Letters and flats remains in place for this impacted ZIP Code until February 4, 2023.)

Everglades City PO (TEMPORARILY SUSPENDED) Alternate location: MRU at the Everglades City PO Parking Lot, 601 Collier Av, Everglades City FL 34139. Drop shipments of Periodicals and Packages will be accepted at the Marco Island PO. (Please note that the Marketing Mail suspension for Letters and flats remains in place for this impacted ZIP Code until February 4, 2023.) Marco Island PO, 600 E Elkcaml Cir, Marco Island FL 34145.

Nocatee PO (TEMPORARILY SUSPENDED) Alternate location: MRU at the Nocatee PO Parking Lot. Drop shipments will be accepted at the MRU.

Pineland PO (TEMPORARILY SUSPENDED) Alternate location: Bokeelia PO, 15980 Stringfellow Rd, Bokeelia FL 33922. Drop shipments of Periodicals and Packages will be accepted at the Bokeelia PO. (Please note that the Marketing Mail suspension for Letters and flats remains in place for this impacted ZIP Code until February 4, 2023.)

Sanibel Main PO (TEMPORARILY SUSPENDED) Alternate location: MRU at the Fort Myers Processing and Distribution Center Parking Lot, 14080 Jetport Loop, Fort Myers FL 33913. Drop shipments of Periodicals and Packages will be accepted at the MRU. (Please note that the Marketing Mail suspension for Letters and flats remains in place for this impacted ZIP Code until February 4, 2023.)

January 26, 2023

SAVE THE DATE – Joint AIM Meeting Southern & Atlantic Areas

Please make plans now to attend the joint Southern & Atlantic Areas Virtual AIM Meeting on Tuesday, March 7, 2023, from 10:30am – 12:30pm (EST).

January 27, 2023

Issues Logging into the Business Customer Gateway

Some users are reporting issues logging into the Business Customer Gateway. Those experiencing the issue are asked to enter Ctrl + F5 on their keyboard in order to reload the page and browser cache. We apologize for any inconvenience.

January 27, 2023

Training Webinar – Seamless Acceptance Category 14

The Postal Service will host a webinar on Seamless Acceptance Category 14 - Undocumented.* An overview will be given on Category 14 which will become assessable on March 1, 2023, for Seamless mailers. The Postal Service deployed logic that would change how undocumented errors are assigned by creating a more refined reassignment process. This ensures undocumented pieces are assigned to the appropriate eDoc submitter, allowing greater visibility for pieces that were not associated to an eDoc. The successful deployment of Phase III enhancement to the Category 14 logic on October 30, 2022, allowed mailers to review their undocumented error data reporting under this enhanced phase logic for the full reporting months of November, December, and January. *Please note: This webinar is in lieu of the regularly scheduled Business Customer Gateway eDoc Training Series – Postal Wizard. Please join us on Tuesday, January 31, 2023, at 1:00 PM EST. Meeting URL: <https://usps.zoomgov.com/j/1615857192?pwd=dGVJTjlYNEFib2FGNmplJ2luZ2ZlZz09>. 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)

January 31-February 1 – MTAC Meeting, USPS Headquarters

February 21 – [Mailers Hub Webinar: New Year's Tax Greetings](#)

February 22 – Central Area AIM Meeting, Carol Stream (IL)

March 7 – Joint Atlantic and Southern Areas AIM Meeting

March 21 – [Mailers Hub Webinar](#)

March 21 – Atlantic Area AIM Meeting, Charlotte (NC)

March 28-29 – MTAC Meeting, USPS Headquarters

March 31-April 2 – MFSA Conference, Grapevine (TX)

April 18 – [Mailers Hub Webinar: The April Price Filing](#)

May 16 – [Mailers Hub Webinar](#)



Be sure to take advantage of the discount available to *Mailers Hub* subscribers. When registering for the NPF, click on "I have a different discount code" and enter **MH2023**

BRANN & ISAACSON
ATTORNEYS AND COUNSELORS AT LAW

The points of contact at Brann & Isaacson are: Martin I. Eisenstein; David Swetham-Burland; Stacy O. Stitham; Jamie Szal. They can also be reached by phone at (207) 786-3566.

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.

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USPS PROPOSED RULE: Mailing Currency

POSTAL SERVICE

39 CFR Part 111

Mailing Currency

AGENCY: Postal Service.

ACTION: Proposed rule.

SUMMARY: The Postal Service is proposing to amend Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM) subsections 503.2.1 and 601.1.0 to clarify mailing standards for currency.

DATES: Submit comments on or before February 22, 2023.

ADDRESSES: Mail or deliver written comments to the manager, Product Classification, US Postal Service, 475 L'Enfant Plaza SW, Room 4446, Washington, DC 20260-5015. If sending comments by email, include the name and address of the commenter and send to PCFederalRegister@usps.gov, with a subject line of "Mailing Currency." Faxed comments are not accepted.

Confidentiality. All submitted comments and attachments are part of the public record and subject to disclosure. Do not enclose any material in your comments that you consider to be confidential or inappropriate for public disclosure.

You may inspect and photocopy all written comments, by appointment only, at USPS Headquarters Library, 475 L'Enfant Plaza SW, 11th Floor North, Washington, DC 20260. These records are available for review on Monday through Friday, 9am-4 pm, by calling 202-268-2906.

FOR FURTHER INFORMATION CONTACT: Dale Kennedy at (202) 268-6592 or Garry Rodriguez at (202) 268-7281.

SUPPLEMENTARY INFORMATION: The Postal Service is proposing to revise subsection 503.2.1 to require commercial cash deposits over \$500.00 be sent using Registered Mail service. As more business customers look to the Postal Service to mail their cash deposits, it has become necessary to determine the most appropriate method to meet this mailing need. As a result, the Postal Service has determined that requiring commercial cash deposits over \$500.00 be sent using Registered Mail, our most secured service, would benefit both customers and the Postal Service. In addition, the Postal Service is proposing to add new subsection 601.1.3, *Mailing Currency*, to provide clarity in the mailing of currency including the requirement to send commercial cash deposits over \$500.00 as Registered Mail. The Postal Service is proposing to implement this change effective March 1, 2023. The Postal Service believes this proposed revision will provide customers with a safe and secure service for their mailing needs.

Although exempt from the notice and comment requirements of the Administrative Procedure Act (5 USC 553(b), (c)) regarding proposed rulemaking by 39 USC 410(a), the Postal Service invites public comment on the following proposed revisions to *Mailing Standards of the United States Postal Service, Domestic Mail Manual* (DMM), incorporated by reference in the *Code of Federal Regulations*. See 39 CFR 111.1. We will publish an appropriate amendment to 39 CFR part 111 to reflect these changes.

List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

Accordingly, 39 CFR part 111 is proposed to be amended as follows:

PART 111 – [AMENDED.]

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

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

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

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

503 Extra Services

2.0 Registered Mail

2.1 Basic Standards

[Revise the text of 2.1 by adding new 2.1.6 to read as follows:]

2.1.6 Mailing Cash Deposits

Items mailed containing commercial cash deposits over \$500.00 must be sent as Registered Mail (see 601.1.3.4).

601 Mailability

[Renumber 1.3 and 1.4 as 1.4 and 1.5, respectively, and add new 1.3 to read as follows:]

1.3 Mailing Currency

1.3.1 General

Currency (i.e., coins), Federal Reserve notes or other bank notes is mailable under any class of mail except where prohibited by standards.

1.3.2 Insurance

Except for philatelic items and numismatic coins under 609.4.1g, eligible classes of mail containing currency may be insured with a maximum indemnity of \$15.00.

1.3.3 Registered Mail

Except under 1.3.4, eligible classes of mail containing currency may use Registered Mail service with included insurance payable at full value up to the applicable limit. (see 503.2.2.1).

1.3.4 Mailing Cash Deposits

The following standards apply for sending commercial cash deposits over \$500.00:

a. Mailers must use Registered Mail service under 503.2.1.6.

b. Mailers must not use any USPS-provided packaging.

Tram T. Pham, Attorney, Ethics and Legal Compliance.

USPS FINAL RULE: Post Office Box Fee Refund

POSTAL SERVICE

39 CFR Part 111

Post Office Box Fee Refund

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 clarify the refund policy for customers who qualified for a Group “E” (free) Post Office Box. The Postal Service is also making an amendment for consistency with refund standards.

DATES: Effective March 1, 2023.

FOR FURTHER INFORMATION CONTACT: Phong T. Quang at (202) 268-2857 or Garry Rodriguez at (202) 268-7281.

SUPPLEMENTARY INFORMATION: On December 13, 2022, the Postal Service published a notice of proposed rulemaking (87 FR 76170-76171) to clarify the refund policy for customers who qualified for a Group “E” (free) PO Box. The Postal Service did not receive any customer comments.

To ensure uniform treatment of customers who were not provided Group E PO Box service, the Postal Service is providing a refund policy if it has been determined that a customer paying for PO Box service is entitled to Group E PO Box service. A refund of prorated fees may be issued for each full consecutive month preceding the determination, up to a maximum of 24 months. Interest will not be paid on the amount refunded. The Postal Service is also making a minor revision to the text in subsection 508.4.5.2c for clarity in the standard and in subsection 604.9.0 to establish a link to the PO Box fee refund standards in subsection 508.4.6. We believe the proposed revisions will provide customers with a more efficient mailing experience.

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

List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

Accordingly, 39 CFR part 111 is proposed to be amended as follows:

PART 111 – [AMENDED.]

1. The authority citation for 39 CFR part 111 continues to read as follows: Authority: 5 USC 552(a); 13 USC 301-307; 18 USC 1692-1737; 39 USC 101, 401-404, 414, 416, 3001-3018, 3201-3220, 3401-3406, 3621, 3622, 3626, 3629, 3631-3633, 3641, 3681-3685, and 5001.
2. Revise the *Mailing Standards of the United States Postal Service, Domestic Mail Manual* (DMM) as follows:

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

* * * * *

508 Recipient Services

* * * * *

4.0 Post Office Box Service

* * * * *

4.5 Fee Group Assignments

* * * * *

4.5.2 Fee Group E – Free PO Box Service

Customers may qualify for Group E (free) PO Box service at a Post Office if their physical address location meets all of the following criteria:

* * * * *

[Revise the first sentence of item c to read as follows:]

- c. USPS does not provide carrier delivery to a mail receptacle at or near a physical address for reasons other than those in 4.5.3b. * * *

* * * * *

4.6 Fee Refund

* * * * *

[Add new 4.6.3 to read as follows:]

4.6.3 Group E PO Box Service Fee Refund

If a postmaster determines that a customer paying for PO Box service was entitled to Group E (free) PO Box service under 4.5.2, a refund of prorated fees may be issued for each full consecutive month preceding the determination, up to a maximum of 24 months. Interest is not paid on the amount refunded.

* * * * *

600 Basic Standards for All Mailing Services

* * * * *

604 Postage Payment Methods and Refunds

* * * * *

9.0 Exchanges and Refunds

* * * * *

[Add new 9.6 to read as follows:]

9.6 Post Office Box Fee Refunds

Fee refunds for PO Box service are provided under 508.4.6.

* * * * *

Tram T. Pham, Attorney, Ethics and Legal Compliance.