Mailers Hub News

The information source for commercial mailers

November 18, 2024

In this issue …

USPS Reports $9.5 Billion Loss for Fiscal 2024

At the November 14 meeting of its Board of Governors, the Postal Service reported a loss of $9.5 billion for its 2024 fiscal year (October 1, 2023, through September 30, 2024). That amount is $3 billion larger than the loss reported for fiscal 2023, far different from the projected $1.7 billion surplus anticipated in Postmaster General Louis DeJoy's 10-Year Plan.

Spin

In its press release, the agency's publicists naturally wanted to explain the loss as beyond management's control and that, otherwise, The Plan was working:

> "The net loss for the year under generally accepted accounting principles (GAAP) totaled $9.5 billion, compared to a net loss of $6.5 billion for the prior year, an increase of $3.0 billion primarily attributed to the year-over-year increase in non-cash workers' compensation expense. Over 80% of our current year net loss is attributed to factors that are outside of management's control, specifically, the amortization of unfunded retiree pension liabilities and non-cash workers' compensation adjustments. …
>
> "The plan delivers the framework for us to better innovate to grow revenue, work more efficiently, and achieve financial sustainability to fulfill our universal service mission over an integrated network to deliver both mail and packages."

Despite its efforts to spin a more positive story, the numbers showed continued loss of market-dominant mail, a sub-optimal increase in competitive product volume, and revenue growth that was both less that equal to the price increases imposed in FY 2024 and less than the growth of expenses.

The numbers

(in millions)	2024	2023
Operating revenue:		
First-Class Mail[1]	$ 25,414	$ 24,584
Marketing Mail[2]	15,373	15,081
Shipping and Packages[3]	32,260	31,635
International	1,446	1,571
Periodicals	912	923
Other[4]	4,132	4,392
Total operating revenue	**$ 79,537**	**$ 78,186**
Volume:		
First-Class Mail[1]	44,312	45,982
Marketing Mail[2]	57,506	59,424
Shipping and Packages[3]	7,252	7,060
International	289	321
Periodicals	2,748	2,993
Other[5]	382	394
Total volume	**112,489**	**116,174**

(in millions)	2024	2023
Shipping and Packages revenue:		
Priority Mail Services[1]	$ 7,754	$ 11,967
Parcel Services[2]	10,731	10,619
USPS Ground Advantage[3]	12,874	2,311
First-Class Package Service[4]	—	5,845
Package Services	901	893
Total Shipping and Packages revenue	**$ 32,260**	**$ 31,635**
Shipping and Packages volume:		
Priority Mail Services[1]	720	1,105
Parcel Services[2]	3,794	3,709
USPS Ground Advantage[3]	2,313	448
First-Class Package Service[4]	—	1,363
Package Services	425	435
Total Shipping and Packages volume	**7,252**	**7,060**

Not surprisingly, revenue was 1.73% higher than in FY 2023 – not because of greater volume, but because of price increases in January and July 2024 totaling more than 9.7%.

As for volume, whether because of price increases or diversion to electronic media, total mail volume fell 3.2% year-over-year, ending at 122.489 billion pieces – *the least annual mail volume since 1981*.

The PMG hopes to build competitive product volume to offset the loss of traditional mail but, whether because of marketplace competition, prices, or service, growth in that category by the end of FY 2024 was far from inspiring – revenue was 2.7% higher on volume growth of only 1.98%.

Given these revenue and volume figures, costs and complement continued to be incongruent. Contractual raises and cost-of-living adjustments drove up compensation costs, while DeJoy's insistence on a primarily fixed-schedule career workforce solidified complement at a level arguably inconsistent with plunging volume.

(in millions)	2024	2023
Compensation	$ 44,058	$ 43,110
Employee health benefits	5,583	5,362
Social Security	2,546	2,540
TSP	1,528	1,476
Other	363	365
Total compensation and benefits	**$ 54,078**	**$ 52,853**

	2024	2023
Career employees	533,000	525,000
Pre-career employees	106,000	115,000
Total employees	**639,000**	**640,000**

The details of the agency's fiscal 2024 financial performance were presented in its *Form 10-Q*, a document similar to those issued by private companies to report annual results.

The 100-page report also was an opportunity for management to add comments and explanations that cast the results more favorably, and the USPS took full advantage. Among other things, the report served as yet another vehicle to promote the PMG's 10-Year Plan, uncritically invoking it 29 times as the polestar guiding its decisions and actions.

Notable passages

Regarding the package business:

> "… we expect certain of our largest customers to continue building their delivery capabilities, which enables them to divert volume away from the Postal Service over time. As these major customers divert volume away from the Postal Service, our Competitive service volumes may level-off or decline in the future."

Acknowledging the impact of negative publicity:

> "Any event, whether real or perceived, that calls into question our long-term existence, our ability to deliver mail and packages, our quality, or our reliability could diminish the value of our brand and reputation and could adversely affect our business operations and operating revenue."

Undefined future cost reductions may not be enough:

> "Our ongoing reviews of cost-savings opportunities may identify opportunities that impact mail processing operations or affect lobby hours of retail units, Post Offices, or other facilities. Presently, our regular review of the carrying value of our assets has not resulted in significant write-downs of our physical assets."

The PMG has always been critical of what he sees as his predecessors' failures, yet some statements in the *Form 10-Q* suggest that senior management may be realizing that the challenges facing past PMGs remain, and are starting to confront them as well:

> "Due to our recent and projected cash constraints, our operational performance in the future could be at risk as a result of inadequate capital investment in facilities, delivery vehicles, mail processing equipment or information technology infrastructure, all of which are essential for our operations. …
>
> "Our strategies to increase efficiency, to reduce costs by adjusting our processing and delivery networks, infrastructure, and workforce, and to retain and grow revenue are currently constrained by contractual, statutory, regulatory, and legislative restrictions. Accordingly, our ability to react quickly to the changing economic climate and industry conditions is inhibited."

Union contracts are a negotiated cost that faced other PMGs as well, but that current management is acknowledging that it can't control either:

> "A union contract arrived at either through negotiation or arbitration could have a significant adverse impact on our future results of operations by impacting our control over wages and benefits and/or by limiting our ability to manage our workforce effectively. … Our ability to negotiate contracts that control labor costs is essential to achieving financial stability. We have no assurance that we will be able to negotiate contracts in the future with our unions that will result in a cost structure that is sustainable within current and projected future revenue levels."

The USPS also cites its inability to control workers' compensation costs, but makes no mention of its role in safety and job training that could reduce the number of injury claims:

> "Trends in actual experience and management judgments about the present and expected levels of cost per claim are significant factors in the determination of such accruals. Several other factors which are beyond our control, such as discount and inflation rates, could cause us to incur higher workers' compensation expenses."

The potential for legislative action also is a concern, yet management doesn't acknowledge the possible reasons that would motivate Congressional involvement:

> "From time to time, various bills are introduced or under consideration in the House and Senate which may be enacted in the future, and which if passed into law, could materially impact our operations and financial results and condition, including our ability to fully implement key *Delivering for America* plan initiatives."

The USPS regularly recasts its numbers to state the results based only on "controllable costs," i.e., excluding the "workers' compensation non-cash expense (benefit) caused by actuarial revaluation and discount rate changes, and the amortization of the CSRS and FERS unfunded liabilities." On that basis, the annual loss looks smaller.

(in millions)	2024		2023	
Net loss	$	(9,520)	$	(6,478)
Workers' compensation non-cash expense (benefit)[1]		2,164		(937)
CSRS unfunded liability amortization expense[2]		3,245		3,015
FERS unfunded liability amortization expense[3]		2,286		2,141
Controllable loss	$	(1,825)	$	(2,259)

However, even with that adjustment, the year's results are still over $3.5 billion worse that what the PMG's Plan had forecast. Moreover, the workers' comp figure varies regularly and can swing by a billion or more; the USPS doesn't complain, though, when that swing is in its favor.

As has been its practice, the Postal Service also cited a reduction in workhour use:

> "During the year ended September 30, 2024, total work hours decreased by 7 million, or 0.6%, compared to 2023, reflective of management's actions taken to reduce work hours in line with lower volumes."

However, mail volume fell by considerably more, and workhours could have been trimmed further had the PMG not committed to an all-career fixed-schedule workforce.

Observations

Given the nature of the document, it's not surprising that the Postal Service cites all the factors, like labor contracts, federal obligations and mandates, regulatory requirements, marketplace competition, and the economic environment, that allegedly impede it from achieving high performance. The Plan – if only it could be implemented without obstruction or delay – is repeatedly cited as the solution; failures or shortcomings in The Plan aren't mentioned.

However, reading between the lines, it's clear that the same challenges that faced prior PMGs haven't gone away and that, as a result, The Plan isn't producing the magical results that proponents would suggest. Reality remains in force.

Moreover, if the report reflects management's thinking, there still seems to be no realization that ratepayers will respond with their business if prices are reasonable and service is as expected and reliable. Declaring pricing practices are "judicious," or publicizing measures to advance "high-quality service" and performance "excellence" are vainglorious bloviation if what customers are really paying, and the service they're really experiencing, aren't as advertised. USPS volume and revenue will be impacted accordingly.

Whether the fiscal year's results will affect the governors' faith in DeJoy and his Plan remains to be seen, but many observers might conclude that the governors' hitherto unwavering confidence might deserve reconsideration.

Though the comments of the governors during the public session of their meeting are not published, press reports indicate that the first inklings of such reconsideration may be stirring. As reported by *Federal News Network*, the PMG sought to preserve support for his Plan:

> "Postmaster General Louis DeJoy told the USPS Board of Governors that 2024 was a 'year of continued transformation, accomplishment and setback' for the agency, including a mix of 'successful endeavors and failed ones, attaining goals and falling short. We are trying to accomplish what was presumed not accomplishable – the fixing of the broken Postal Service business model. We march on.'
>
> "DeJoy said growth and cost-cutting are at the heart of the agency's 10-year Delivering for America plan, but added the strategy 'is not about contraction or just cost reduction. That approach would not support our long-term goal of viability. It has been tried and it has failed.'
>
> "DeJoy acknowledged USPS has fallen short on some of its goals, but he said the 10-year plan 'is the only comprehensive plan' to save the agency from financial collapse. 'I have complete confidence that in 2025, we'll accomplish more meaningful progress as we accelerate our execution and refinement of the Delivering for America strategies.'"

DeJoy's usual assurances that all will be good in time got mixed support, at least if the tea leaves of some comments can be read accurately.

> "Retiring board member Anton Hajjar, a former general counsel for the American Postal Workers Union, said that when he was nominated by President Joe Biden to serve on the board in 2020, 'all the talk was that it was a priority to ouster Postmaster General Louis DeJoy. I was won over to his leadership, relentless hard work and vision of the changes that were necessary to save the Postal Service,' Hajjar said. USPS performance, he added, 'has sometimes been spotty as the network is being transformed,' and urged USPS to conduct community tours in areas impacted by its network modernization efforts. … I have heard lots of criticism with the DFA in my time on the board, but I have yet to hear a feasible alternative.'"

Whether Hajjar was correct about the absence of potential alternative plans, DeJoy has been far from willing to hear about such options, especially if they would detract from the singular focus on *his* Plan. Of course, as a former union executive, Hajjar may also have favored the many measures DeJoy has taken that the APWU liked, including insourcing local transportation and converting thousands of part-time workers to career status.

Other governors were less sanguine.

> "Board member Dan Tangherlini, a former head of the General Services Administration, said USPS is not realizing its break-even goals, 'but we are assured by the management team that we are in transition in the right direction. There are many hopeful signs to suggest that progress, in fact, is being made.' Transportation costs, he added are lower, and that USPS efforts to insource previously contracted logistics operations and restructure its facilities 'are showing positive results.'"

It might be prudent for Tangherlini to gather his information from other that "the management team," and evaluate whether the "positive results" from transportation changes might be occurring at the expense of service.

> "Ron Stroman, a member of the board and former deputy postmaster general, said USPS, in addition to its financial woes, remains far off from its goals of 95% on-time mail delivery. He urged USPS to 'continue to make improvements and progress to improve service to the American people. It would certainly appear that the Postal Service is headed to some challenging times over the next few years.'"

Stroman may have made the understatement of the day. If DeJoy's Plan continues to stumble, "challenging times" may arrive for the PMG sooner than he might like.

Canada Post Stike Shuts Down Service

Contrary to earlier statements, Canada Post has shut down many operations for the duration of the nationwide strike that began early Friday morning, November 15th.

There was earlier speculation that there would be rolling strikes across the country. Canada Post may have anticipated that and made statements on that basis. The statements from Canada Post and the union suggest that the two sides are antagonistic and far from agreement.

New mail items will not be accepted for the duration of the strike. The USPS has not yet made any announcements regarding mail to Canada. However, mailers and mail processors may wish to take steps to ensure that their future mail is not held for the duration of the strike. Private delivery services continue to operate in Canada.

Earlier today, Canada Post stated in part,

> "Mail and parcels will not be processed or delivered for the duration of the national strike, and some post offices will be closed. Service guarantees will be impacted for items already in the postal network. No new items will be accepted until the national disruption is over … All mail and parcels in the postal network will be secured and delivered as quickly as possible on a first-in, first-out basis once operations resume. However, a national strike of any length will impact service to Canadians well after the strike activity ends … Processing and delivery may take some time to fully return to normal."

Their full statements and updates are at *https://www.canadapost-postescanada.ca/cpc/en/our-company/news-and-media/corporate-news/negotiations/2024-11-15-cupw-announces-national-strike-that-will-cause-service-delays-for-canadians*.

The Canadian Union of Postal Workers (CUPW) stated,

> "Some 55,000 postal workers represented by the Canadian Union of Postal Workers (CUPW) went on a nationwide strike on Friday, November 15 at 12:01am ET. After a year of bargaining with little progress, postal workers made the difficult decision to strike. Canada Post had the opportunity to prevent this strike, but it has refused to negotiate real solutions to the issues postal workers face every day. Instead, Canada Post left us no choice when it threatened to change our working conditions and leave our members exposed to layoffs."

Their updates can be found at *https://www.cupw.ca/*.

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

USPS Announces Price Increase for Competitive Products

Following approval by the Governors of the Postal Service earlier in the week, on November 15 the USPS announced a price increase for several competitive products to be effective January 19, 2025. The price changes were described in the Governors' Decision that was submitted with the filing:

I. Domestic Products

A. Priority Mail Express

Overall, the Priority Mail Express price change represents a 3.2% increase. In 2023, we consolidated the Commercial Base and Commercial Plus price categories into one Commercial price category and differentiated the "Local, 1, 2" Zone prices. For January 2025, this new structure will be maintained. Dimensional weighting, which was introduced for all zones in 2019, will also continue in 2025.

Retail prices will increase an average of 3.2%. The price for the Retail Flat Rate Envelope, a significant portion of all Priority Mail Express volume, will increase to $31.40, with the Legal Size and Padded Flat Rate Envelopes priced at $31 .65 and $32.25, respectively.

The Commercial price category will increase 3.2% on average. Commercial prices will, on average, reflect a 12.4% discount off of Retail prices. New for 2025, a Live Animal and Perishable Handling Fee of $7.50 will be introduced under Priority Mail Express to cover the additional costs associated with handling and transporting these items.

B. Priority Mail

On average, the Priority Mail prices will be increased by 3.2%. Similar to Priority Mail Express, the Commercial Base and Commercial Plus price categories were consolidated into one Priority Mail Commercial price category and "Local, 1, 2" Zone prices were differentiated in 2023. For January 2025, this new structure will be maintained. Dimensional weighting, which was introduced for all zones in 2019, will also continue in 2025.

Retail prices will increase by an average of 3.2%. Retail Flat Rate Box prices will be: Small, $10.65; Medium, $19.15; Large, $26.30 and Large APO/FPO/DPO, $25.05. Thus, the Large APO/FPO/DPO Flat Rate Box will be $1.25 less than the Large Flat Rate Box. The regular Flat Rate Envelope will be priced at $10.10, with the Legal Size and Padded Flat Rate Envelopes priced at $10.40 and $10.85, respectively.

The Commercial price category will increase by 3.2% on average. Commercial prices will, on average, reflect a 20.8% discount off of Retail prices. New for 2025, a Live Animal and Perishable Handling Fee of $15.00 will be introduced under Priority Mail to cover the additional costs associated with handling and transporting these items.

C. Parcel Select

On average, Parcel Select prices as a whole will increase 9.2%. For destination delivery unit (DOU) entered parcels, the average price increase is 10.3%. For destination hub (Dhub) entered parcels, the average price increase is 0.0%. For destination sectional center facility (DSCF) destination entered parcels, the average price increase is 7.1%. For destination network distribution center (DNDC) parcels, the average price increase is 9.7%. For Connect Local, introduced in 2022, the average price increase is 5.4%. Dimensional weighting, which was introduced for all zones in 2019, will continue in 2025. To account for inflation, the fee for Forward and Return to Sender will be increased to $3.60, while the fee for Address Correction Service (ACS) with Shipper Paid Forwarding/Returns will be increased to $3.00.

D. USPS Ground Advantage

USPS Ground Advantage, introduced in July 2023, is the Postal Service's flagship ground package product. The existing structure will be maintained for 2025. Overall, USPS Ground Advantage prices will increase 3.9% on average. Retail prices will increase 4.9% on average, while Commercial prices will increase 3.2% on average. The Alaska Limited Overland Routes (LOR) price category will see a 9.0% average increase for January 2025. New for 2025, a Live Animal and Perishable Handling Fee of $7.50 will be introduced under USPS Ground Advantage to cover our additional handling costs for these items.

E. Domestic Extra Services

Premium Forwarding Service (PFS) prices will increase 6.1% on average in 2025. The retail counter enrollment fee will increase to $26.85. The online enrollment option, introduced in 2014, will increase to $24.70. The weekly reshipment fee will increase to $27.80. The reshipment fee for PFS Local, which was introduced in 2019 for PO Box customers, will increase to $27.80. Prices for Adult Signature service will decrease to $8.40 for the basic service and $8.65 for the person-specific service. Address Enhancement Service prices will increase 8.9% on average in 2025. Competitive Post Office Box prices will be increasing 5.7% on average, within the existing price ranges. Package Intercept Service will increase to $18.35. The Pickup On Demand fee will remain unchanged for 2025, at $26.50. Premium Data Retention and Retrieval Service (USPS Tracking Plus), which was introduced in 2020, will have its prices increase 86.3% on average in 2025. The fee for Label Delivery Service, introduced in 2023 under the Competitive Ancillary Services product, will remain at $1.55 for 2025.

Finally, in 2025, the fee for deterring overweight/oversized items found in the system will be increased from $100.00 to $200.00. The upper bounds for the price ranges for Greeting Cards and Stationery and Officially Licensed Retail Products will be increased to accommodate current and future offerings.

II. International Products

A. Expedited Services

PMEI will be subject to an overall 4.9% increase. Commercial Plus prices will be equivalent to Commercial Base.

B. Priority Mail International

The overall increase for Priority Mail International (PMI) will be 4.9%. Commercial Plus prices will be equivalent to Commercial Base.

C. International Priority Airmail and International Surface Air Lift

Published prices for International Priority Airmail (IPA) and International Surface Air Lift (ISAL) will increase by 4.9% and 28.9%, respectively.

D. Airmail M-Bags

The published prices for Airmail M-Bags will remain the same on average and not increase, although a few prices will change slightly.

E. First-Class Package International Service

The overall increase for First-Class Package International Service (FCPIS) prices will be 4.9%. Commercial Plus prices will be equivalent to Commercial Base.

F. International Ancillary Services and Special Services

Prices for several international ancillary services will be increased, including a 5.0% increase for International Certificate of Mailing, a 10.0% decrease for International Insurance, a 4.8% increase for International Registered Mail, and a 3.5% increase for the Customs and Clearance Delivery Fee.

On September 5, the Postal Service had announced a seasonal increase on Priority Mail Express (4.9%), Priority Mail (5.3%-5.6%), USPS Ground Advantage (6.2%-6.5%), and Alaska Limited Overland Routes prices (10.3%) that took effect on October 6. As then stated, the previously effective prices would be restored on January 19. However, as a result of the November 15 announcement, once the seasonal rates expire, the rates that will come into effect will not be those in place prior to October 6, but newer ones that, in effect, retain a portion of the seasonal increase. The USPS has been writing scores of negotiated service agreements in recent months involving the products whose prices were seasonally adjusted. Whether or how those NSAs may provide insulation against the January 19 price hike is unknown.

Still More Changes to International Requirements

The international mailing environment remains in constant flux; for example:

Some recent changes

- **Iran** is the latest country to request a mobile telephone number when sending registered mail or items requiring a customs form. This is a growing list with **Macau**, **Mauritania**, and **Thailand** having joined the group in August.
- **Canada** added a requirement for a foreign office of exchange code for full-service M-bags through Toronto.
- **Germany**, **Indonesia**, and **Iraq** and announced or clarified allowed imported goods.
- **Türkiye** (formerly Turkey) announced customs *de minimis* and duty tax rates and **Thailand** announced that VAT, a sales tax, applies to low value goods, although goods worth less than 1,500 Thai Baht (about $44) are exempt from customs duty. (A *de minimis* is the lower limit for charging a tax or fee.)
- **South Korea** now requires the recipient's tax ID number, as do a few other countries, for goods sent into the country.
- **Switzerland** revised its procedures for charging VAT on small packages entering the country and now requires registration of companies generating at least CHF100,000 (about $114,664) in the VAT register.

Changes like those above occur regularly. In addition, the USPS announces changes to other international mail requirements, including changes to office of exchange codes, services offered by the USPS, and packaging requirements.

Enforcement and compliance

The level of enforcement for any laws depends on the country in question, the law itself, and who is subject to the enforcement. Some countries are known for their adherence to following the letter – and intent – of their laws. Others are known for their lax attitudes. And, yes, there can be differences in the enforcement toward particular individuals or groups, or in the case of import laws, particular countries.

With that in mind, informal reports suggest that strict enforcement of many import laws is not being carried out.

In the US, for example, members of Congress have been critical of the enforcement of the STOP Act.

In the EU, goods have continued to be imported and to transit through the territory without serious delays from the second phase of ICS2. The same seems true of other countries. Newer requirements are often eased into effect, allowing merchants time to meet the requirement. This could, of course, change at any moment for any country.

Adherence to any new requirements is the best way to avoid delays and the return or destruction of packages.

How to stay updated

Both public and private sources, free and by subscription, are available. There are dedicated services that provide country-by-country specifics on import restrictions and requirements and on customs duty and sales taxes on imports. Some of these provide some free information. Watch for effective dates for the information to make sure it is up-to-date. Fee-paid information is more likely to be current.

International mailing service companies and consolidators may have resources for requirements on sending goods to other countries. The same applies to the private delivery companies who handle international deliveries. They may provide this to customers or may have resources available to other mailers, particularly newsletters or online information.

Watch the USPS *Postal Bulletin* for announcements of changes to country and USPS requirements. The *Postal Bulletin* is available free, and published on alternate Thursdays at *https://about.usps.com/resources/postal-bulletin.htm?year=2024*. (Those announcements also are listed in the "All the Official Stuff" section of *Mailers Hub News*.) The *Postal Bulletin* may not include all the changes that other counties make because it will only include those sent to it by notifications through official channels.

Consider whether the value of your small packages to other countries justifies subscribing to or working with a service provider providing import and tax compliance information.

Looking at the future

We can confidently predict that changes will continue as more countries add security requirements or impose new customs, duty, and tax obligations. More details on both the sender and recipient of packages are likely to be required by more countries. New revenue can be generated by lowering the customs duty or sales tax *de minimis* or both.

If the US changes its policies on customs, there may be some reciprocal changes in other countries. Bills have been submitted during the current Congress to change the US customs *de minimis* and to make other changes to US import policies for small packages. Most of the bills add further restrictions to imports by lowering the *de minimis*, adding various hurdles to all or certain imports, or aligning the US import policies to those faced by US imports to each country. (The last would add extraordinary complexity to imports and likely to exports.) Some of these same or similar bills are likely to be submitted to the next Congress that begins in early January 2025.

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

Update on PRC and BoG Appointments

The five members of the Postal Regulatory Commission and the nine governors of the Postal Service are all appointed by the president and seated only after Senate confirmation. On each panel, a partisan majority cannot exceed one seat, which makes for interesting choices when a president must fill vacancies with a nominee from the other party. Also, both commissioners and governors can continue to serve for a "grace" or "carryover" year beyond the expiration of their terms or until a replacement is seated.

The PRC

The commissioners serve six-year terms, but the sequence of those terms isn't especially logical. Three seats expire on October 14, two in 2028 and another in 2030, while two seats expire on November 22, one in 2026 and the other in 2030.

The term of commission Chairman Michael Kubayanda expires in 2026, while the terms of Vice-Chairman Tom Day and former Chairman Robert Taub end in 2028. The terms of Commissioners Ann Fisher and Ashley Poling were set to expire in late 2024, but both were renominated on April 11 and confirmed by the Senate on September 25 for terms expiring in 2030. As a result, the PRC has continued to have a full complement of commissioners, with two from each party and one independent.

The governors

The governors serve staggered seven year terms, all ending on December 8. Two expire in both 2028 and 2029, with one each expiring in 2024, 2025, 2026, 2027, and 2030.

The terms of Donal Moak and William Zollars expired in December 2022; both served a holdover year but have since left, leaving the board two governors short. Meanwhile, the term of Anton Hajjar expired in 2023 and his holdover year expires next month, so his attendance at the board meeting last week was his last. Also on December 8, the term of current board chairman Roman Martinez IV will expire. Next year, the term of Robert Duncan will expire, followed by Amber McReynolds in 2026, Dan Tangherlini in 2027, and Derek Kan and Ron Stroman in 2028.

Marty Walsh was nominated last February to replace Moak; Val Butler Demings was nominated to replace Anton Hajjar, and William Zollars was nominated to return, on July 25; and Gordon Hartogensis was nominated to replace Martinez on September 9.

Walsh, formerly Mayor of Boston and, later, Secretary of Labor, is currently the Executive Director of the National Hockey League Players Association. Demings was Chief of the Orlando Police Department and later represented Florida's 10th Congressional district. Zollars was an executive with Eastman Kodak and, later, with a major trucking company. Hartogensis is a former banking and software executive who later served as Director of the Pension Benefit Guaranty Corporation.

On November 14, the Senate Homeland Security and Governmental Affairs Committee held a hearing on the Demings, Hartogensis, and Zollars nominations, but the Walsh nomination was withdrawn without public explanation that same day, reportedly because of political opposition. Barring any further political gamesmanship, the other three should be confirmed and seated before the next Board of Governors meeting, likely in early 2025 after the end of the first quarter of the Postal Service's 2025 fiscal year. However, given the remaining vacancy, the panel would still be one short of an even balance along party lines, given that one governor is an independent.

Meanwhile, at their November 14 meeting, the remaining seven members of the board elected Amber McReynolds chairman and Derek Kan vice-chairman for 2025.

Regardless, the turnover of governors means that only Zollars and Robert Duncan would be left from the panel that selected Louis DeJoy to be Postmaster General in mid-2020. Many observers had wondered whether the departure of his original supporters would imperil DeJoy, but so far his tenure seems secure. Some attribute this to his assertion that only he has a Plan and only it can save the USPS. If that Plan continues to falter, however, the majority of the governors who are less invested in it might defect from the band of loyalists.

OIG Examines USPS "Mobile Delivery Device – Technology Refresh"

In 2019, the Postal Service began deploying about 290,000 new and upgraded Mobile Delivery Devices – the handheld scanners used by carriers for a variety of purposes – and, in 2023, implemented software updates to further increase the devices' functionality, including for use with electronic locks on collection boxes that replace the traditional arrow locks and keys. The implementation of these enhanced devices, now called Mobile Delivery Device – Technology Refresh, was the focus of an audit report by the Postal Service's Office of Inspector General, released November 5.

- "**Finding #1: Progress of Initiatives to Increase Security Measures and Crime Prevention Awareness.** The Postal Service, in coordination with the USPIS, implemented security measures to deter mail theft and carrier robberies. Specifically, the deployment of MDD-TRs coupled with eLocks on collection boxes, along with various Project Safe Delivery initiatives, showed the Postal Service's commitment to mail security and carrier safety. …
- "**Finding #2: External Factors Impacting MDD-TR Functional Efficiency.** External factors, such as inconsistent connectivity with cellular towers, GPS, facility servers, and common weather conditions impacted MDD-TR functional efficiency at all 15 facilities observed. … These issues occurred because the MDD-TRs could not always connect to Postal Service's cellular network provider, limiting functionality and GPS connectivity. ... According to Postal Service guidance, it is facility managements' responsibility to confirm data collection devices are in working order and to verify information is downloading properly. However, facility management did not take appropriate action to maintain data collection devices and supporting infrastructure. …
- "**Finding #3: Internal Factors Impacting MDD-TR Functional Efficiency.** Internal factors – such as a lack of training for supervisors and carriers, headquarters' limited deployment of MDD-TR features, and inadequate supervisor oversight of MDD-TR battery capacity level – impacted MDD-TR functional efficiency at all 15 facilities visited during observations. … According to Postal

Service guidance, managers and supervisors must provide training, as needed, and provide carriers with training in proper methods and procedures. However, the challenges carriers experienced occurred because neither supervisors nor carriers received formal training on how to manage or fully use the devices. …

- "**Finding #4: Lost, Stolen, and Missing MDD-TRs.** Of the 814 MDD-TRs assigned to the 15 facilities, 163 (or about 20%) were unaccounted for at the time of site observations. … The issues surrounding lost, stolen, and missing MDD-TRs occurred due to four main reasons:
  - Facility management did not routinely review its assigned inventory in Ethos and update, as needed. …
  - Supervisors and assigned clerks were not overseeing the carrier's check-in of MDD-TRs, as required. Instead, supervisors stated they performed a visual inspection at the end-of-shift to determine whether the carriers properly placed the MDD-TRs in their assigned cradles.
  - Two facilities … converted to Sorting and Delivery Centers (S&DCs) in February 2024. … Facility management did not review and update its MDD-TR inventory in Ethos after this major network change.
  - Facility management did not always follow the process for reporting lost, stolen, and missing MDD-TRs."

The OIG offered twelve recommendations:

- "… develop a formal documented plan that details the installation schedule for the remaining electronic locks on hold.
- "… enhance the geo-location coordinates associated with each delivery point address and update the Address Management System files downloaded to the [MDD-TRs].
- "… reiterate to facility management to use Regional Intelligent Mail Server tools for the [MDD-TR] and to confirm the devices are transmitting information properly.
- "… develop an actionable plan to address screen precision and sensitivity to minimize water and heat interference with the [MDD-TR] through hardware protections or software solutions.
- "… require facility management to certify supervisors and employees complete formal, and release update, training on [MDD-TR] functionalities.
- "… require facility management to provide guidance to supervisors and employees of all major [MDD-TR] functionality updates.
- "… develop a deployment plan with actionable milestones for the 24-Hour Arrow Key Management System to all facilities using the Arrow keys nationwide, contingent upon the completion of the pilot program.
- "… reiterate to facility management the requirement to follow the Arrow Key Standard Work Instructions including reporting lost or stolen keys to the Postal Inspection Service as required.
- "… implement recurring communication regarding existing tools to monitor battery capacity, and proactively replace batteries, as needed, for the [MDD-TR].
- "… reinforce the policy for local management to ensure carriers have returned their [MDD-TR] to the appropriate cradles and information has been downloaded.
- "… include and publish language in the updated version of the AS-701 to clarify the requirements to report lost, stolen, or missing assets or materials to the Postal Inspection Service.
- "… evaluate and establish a policy to require increased frequency of a nationwide inventory evaluation.."

Management agreed with the findings and most of the recommendations. Nonetheless, this audit found yet more conditions that can be attributed to a lack of clear policy guidance, inadequate training, and insufficient management attention. While the USPS is spending billions on new facilities, it should consider also spending a little on providing training.

September Financials: Completing the Loss

As the trajectory had increasingly indicated over the past few months, the Postal Service ended its 2024 fiscal year with a loss of over $9.5 billion – the largest in a decade and far from the $1.7 billion surplus that Postmaster General Louis DeJoy's 10-Year Plan had forecast – and September did little to slow the fall.

Compared to September 2023, market-dominant mail volume was up 0.7% while competitive product volume – more important to the PMG's Plan – was 1.8% lower.

Total revenue was 3.8% below plan and only 1.0% more than September 2023, while total operating expenses were 5.3% over plan and 23.3% higher that last September, resulting in a net loss of $1.216 billion for the month. This pushed the net loss for the year to $9.520 billion, over $3 billion worse than both plan and fiscal 2023.

Volume and revenue

Total volume for the month barely exceeded the previous September, likely boosted by pre-election mailings:

First-Class Mail: 3.192 bln pcs, -6.0%; 44.312 bln pcs, -3.6% YTD
Marketing Mail: 5.265 bln pcs, +5.7%; 57.524 bln pcs, -3.2% YTD
Periodicals: 210.2 mln pcs, -8.6%; 2.748 bln pcs, -8.2% YTD
Total Mkt Dom: 8.717 bln pcs, +0.7%; 96.674 bln pcs, -3.9% YTD
Total Competitive: 551.1 mln pcs, -1.8%; 6.809 bln pcs, +3.2% YTD
Total USPS: 9.258 bln pcs, +0.5%; 112.489 bln pcs, -3.2% YTD

Despite price increases on market-dominant mail totaling over 7.75% since September 2023, year-to-date market-dominant mail revenue was only 1.5% higher.

USPS operating revenue for the month was $6.345 billion:

First-Class Mail: $1.991 bln, +4.5%; $25.414 bln, +3.4% YTD
Marketing Mail: $1.468 bln, +8.0%; $15.435 bln, +2.0% YTD
Periodicals: $0.075 bln, -3.6%; $0.912 bln, -1.1% YTD
Total Mkt Dominant: $3.726 bln, +3.6%; $45.310 bln, +2.0% YTD
Total Competitive: $2.513 bln, -1.1%; $32.781 bln, +1.9% YTD
Total USPS: $6.345 bln, +1.5%; $79.537 bln, +1.7% YTD

Expenses and workhours

Total "controllable" compensation and benefit costs in September were $4.933 billion, 1.0% over plan and 0.8% higher than September 2023; total expenses were $7.637 billion, 5.3% over plan and 23.3% higher than a year earlier.

As transportation is reduced to enable lower service standards, the related costs ($691 million for the month, $8.815 billion for the year) were well below both plan and September 2023. However, workers' compensation expense flipped unfavorably by over $1.3 billion compared to last September.

Workhour usage was 3.0% over plan but 2.2% lower than September 2023, while total workhours for the year-to-date were 1.4% over plan and only 0.6% below SPLY YTD. Again, despite less mail, the USPS workforce is essentially unchanged, and with *more* career employees.

Month's end complement: 639,297 employees (533,346 career, 105,951 non-career) **-0.07%** compared to September 2023 (639,715 employees: 525,092 career, 114,623 non-career), but **1.57% more** *career* workers.

All the numbers are on the next page.

USPS Preliminary Information (Unaudited) – September 2024 [1]

OPERATING DATA OVERVIEW [1, 2]	Current Period					Year-to-Date				
Revenue/Volume/Workhours (Millions)	**Actual**	**Plan**	**SPLY**	**% Plan Var**	**% SPLY Var**	**Actual**	**Plan**	**SPLY [5]**	**% Plan Var**	**% SPLY Var**
Revenue										
Operating Revenue	$6,345	$6,594	$6,250	-3.8%	1.5%	$79,537	$80,736	$78,186	-1.5%	1.7%
Other Revenue	$2	$1	$35	100.0%	-94.3%	$10	$5	$197	100.0%	-94.0%
Total Revenue	$6,347	$6,595	$6,285	-3.8%	1.0%	$79,547	$80,741	$78,383	-1.5%	1.5%
Operating Expenses										
Personnel Compensation and Benefits	$5,751	$5,343	$4,330	7.6%	32.8%	$68,304	$65,551	$63,392	4.2%	7.7%
Transportation	$691	$808	$760	-14.5%	-9.1%	$8,815	$9,610	$10,111	-8.3%	-12.8%
Supplies and Services	$339	$378	$329	-10.3%	3.0%	$3,407	$3,395	$3,365	0.4%	1.2%
Other Expenses	$807	$676	$737	19.4%	9.5%	$8,939	$8,876	$8,519	0.7%	4.9%
Total Operating Expenses	$7,588	$7,205	$6,156	5.3%	23.3%	$89,465	$87,432	$85,387	2.3%	4.8%
Net Operating Income/Loss	**-$1,241**	-$610	$129			**-$9,918**	-$6,691	-$7,004		
Interest Income	$74	$61	$87	22.3%	-14.9%	$958	$944	$941	1.5%	1.8%
Interest Expense	$49	$48	$40	1.1%	22.5%	$560	$590	$415	-5.0%	34.9%
Net Income/Loss	**-$1,216**	-$598	$176			**-$9,520**	-$6,337	-$6,478		
Mail Volume										
Total Market Dominant Products [3]	8,717	7,979	8,661	9.2%	0.6%	105,391	100,152	109,253	5.2%	-3.5%
Total Competitive Products [3]	521	519	531	0.4%	-1.9%	6,809	6,782	6,600	0.4%	3.2%
Total International Products	19	23	22	-17.1%	-13.6%	289	303	321	-4.6%	-10.0%
Total Mail Volume	9,257	8,521	9,214	8.6%	0.5%	112,489	107,237	116,174	4.9%	-3.2%
Total Workhours	91	89	93	2.2%	-2.2%	1,147	1,130	1,154	1.5%	-0.6%
Total Career Employees	**533,346**		525,092		**1.6%**					
Total Non-Career Employees	**105,951**		114,623		**-7.6%**					

MAIL VOLUME and REVENUE [1, 2]	Current period			Year-to-Date		
Pieces and Dollars (Thousands)	**Actual**	**SPLY**	**% SPLY Var**	**Actual**	**SPLY**	**% SPLY Var**
First Class (excl. all parcels and Int'l.)						
Volume	3,192,129	3,395,684	-6.0%	44,312,454	45,981,665	-3.6%
Revenue	$1,990,930	$1,905,538	4.5%	$25,414,149	$24,583,901	3.4%
Periodicals						
Volume	210,248	230,128	-8.6%	2,747,906	2,992,935	-8.2%
Revenue	$75,019	$77,835	-3.6%	$912,152	$922,675	-1.1%
Marketing Mail (excl. all parcels and Int'l.)						
Volume	5,264,741	4,979,470	5.7%	57,523,986	59,448,929	-3.2%
Revenue	$1,468,265	$1,359,607	8.0%	$15,435,499	$15,139,796	2.0%
Package Svcs. (ex. Inb'd. Intl Surf. PP @ UPU rates)						
Volume	31,995	37,843	-15.5%	425,389	434,753	-2.2%
Revenue	$73,944	$78,315	-5.6%	$901,201	$893,320	0.9%
All other Market Dominant Mail						
Volume	17,936	17,426	2.9%	381,511	394,303	-3.2%
Revenue	$117,648	$176,118	-33.2%	$2,647,325	$2,897,947	-8.6%
Total Market Dominant Products *(ex. all Int'l.)*						
Volume	8,717,048	8,660,550	0.7%	105,391,247	109,252,584	-3.5%
Revenue	$3,725,806	$3,597,414	3.6%	$45,310,325	$44,437,641	2.0%
Shipping and Package Services						
Volume	521,067	530,757	-1.8%	6,808,545	6,599,990	3.2%
Revenue	$2,396,854	$2,405,775	-0.4%	$31,296,286	$30,683,194	2.0%
All other Competitive Products						
Volume	-	-	0.0%	-	-	0.0%
Revenue	$115,727	$133,528	-13.3%	$1,484,313	$1,494,413	-0.7%
Total Competitive Products *(ex. all Int'l.)*						
Volume	521,067	530,757	-1.8%	6,808,545	6,599,990	3.2%
Revenue	$2,512,582	$2,539,303	-1.1%	$32,780,600	$32,177,607	1.9%
Total International [4]						
Volume	19,397	21,763	-10.9%	289,006	321,172	-10.0%
Revenue	$107,029	$113,108	-5.4%	$1,446,212	$1,571,021	-7.9%
Total						
Volume	**9,257,912**	9,213,069	**0.5%**	**112,488,798**	116,173,745	**-3.2%**
Revenue	**$6,345,415**	$6,249,824	**1.5%**	**$79,537,137**	$78,186,268	**1.7%**

EXPENSES OVERVIEW [1, 2]	Current Period					Year-to-Date				
Dollars (Millions)	**Actual**	**Plan**	**SPLY**	**% Plan Var**	**% SPLY Var**	**Actual**	**Plan**	**SPLY**	**% Plan Var**	**% SPLY Var**
Controllable Pers. Comp. & Benefits	$4,933	$4,884	$4,894	1.0%	0.8%	$60,608	$60,051	$59,173	0.9%	2.4%
FERS Unfunded Liabilities Amortization [6]	$178	$192	$178	-7.3%	0.0%	$2,286	$2,300	$2,141	-0.6%	6.8%
CSRS Unfunded Liabilities Amortization [6]	$312	$267	$251	16.9%	24.3%	$3,245	$3,200	$3,015	1.4%	7.6%
Workers' Compensation [7]	$328	$ --	-$993	NMF	-133.0%	$2,165	$ --	-$937	NMF	NMF
Total Pers. Comp. & Benefits	$5,751	$5,343	$4,330	7.6%	32.8%	$68,304	$65,551	$63,392	4.2%	7.7%
Total Non-Personnel Expenses	$1,837	$1,862	$1,826	-1.4%	0.6%	$21,161	$21,881	$21,995	-3.3%	-3.8%
Total Expenses (incl. interest)	**$7,637**	$7,253	$6,196	**5.3%**	**23.3%**	**$90,025**	$88,022	$85,802	**2.3%**	**4.9%**

WORKHOURS [1, 2, 3]	Current Period					Year-to-Date				
Workhours (Thousands)	**Actual**	**Plan**	**SPLY**	**% Plan Var**	**% SPLY Var**	**Actual**	**Plan**	**SPLY**	**% Plan Var**	**% SPLY Var**
City Delivery	33,617	32,095	34,387	4.7%	-2.2%	423,087	411,745	423,428	2.8%	-0.1%
Mail Processing	14,996	14,280	15,199	5.0%	-1.3%	189,960	186,119	196,854	2.1%	-3.5%
Customer Services & Retail	11,091	10,702	11,353	3.6%	-2.3%	141,272	138,672	144,844	1.9%	-2.5%
Rural Delivery	17,589	17,001	18,582	3.5%	-5.3%	222,297	218,844	222,446	1.6%	-0.1%
Other	13,937	14,506	13,718	-3.9%	1.6%	169,962	174,902	166,107	-2.8%	2.3%
Total Workhours	**91,230**	88,584	93,239	**3.0%**	**-2.2%**	**1,146,578**	1,130,282	1,153,679	**1.4%**	**-0.6%**

[1]/September 2024 had one delivery day less and 0.25 retail day less compared to September 2023. YTD has the same delivery days and 1.5 more retail days compared to the same period last year (SPLY). [2]/Numbers may not add due to rounding and/or adjustments. Percentages calculated using unrounded numbers. The sampling portion of the RPW system is designed to be statistically valid on a quarterly and annual basis. [3]/Excludes all International. [4]/Includes Current Period Market Dominant Volume of 9,512 and Revenue of $13,498; SPLY Market Dominant Volume of 11,107 (-14.4%) and Revenue of $15,753 (-14.3%). Also includes Current Period Competitive Volume of 9,885 and Revenue of $93,531; SPLY Competitive Volume of 10,656 (-7.2%) and Revenue of $97,355 (-3.9%). [5]/ This represents the US Office of Personnel Management (OPM) estimated amortization expense related to the Federal Employee Retirement System (FERS) and Civil Service Retirement System (CSRS). The actual invoices will be received between September 2024 and October 2024. [6]/This represents non-cash adjustments: the impact of discount and inflation rate changes and the actuarial revaluation of new and existing cases. NMF = Not Meaningful Figure, percentages +/- 200% or greater.

PQIV Service Performance Remains Far From the Targets

PQ IV/FY 2024 service performance continued an unimpressive pattern; the Postal Service's own data reveals that most district and area scores continued to be below targets.

The USPS announced its FY 2024 service targets in a November 22, 2023, letter to the Postal Regulatory Commission.

Claims

The first chart, below, shows how national level service has trended over the past twelve quarters, often reflecting typical seasonal variation. These aggregated figures are similar to those used by the USPS in comments claiming stable or improved service because they're based on homogenized, national level class averages that combine the results for all categories and presort levels. For anyone who looks more closely, the real, more granular, data doesn't support what the PR spin would have ratepayers believe.

Moreover, only mail "in measurement" is reflected in USPS service scores and, for Marketing Mail, only destination-entered mail is measured, clearly skewing what would be the true Marketing Mail scores if the less efficient origin-entered mail were also in the mix.

Variation

Compared to PQ IV/FY 23, the PQ IV/FY 24 national level scores were mixed for First-Class Mail, Marketing Mail, and Periodicals. Districts in the west again generally performed better while those in the south generally did worse; the WestPac Area had 13 of the 16 best quarterly average scores for First-Class Mail and Marketing Mail, while Southern Area had 20 of the 24 worst.

Few districts achieved the service targets for First-Class Mail: 20 districts met the target for overnight; 13 for two-day, 3-day, and 4-day; and 21 for 5-day service. Five districts *met* all the targets, while 17 districts *missed* all the targets.

For Marketing Mail, 45 districts achieved the service target for letters, as did 29 for carrier route mail, but only *two* districts met the service target for flats.

Scores for Periodicals are not reported below the area level. The national level, and three of the area level scores (except for Westpac), failed to be at or above the service target.

The second chart, below, shows the number of districts in each area that met the service target for the corresponding First-Class Mail or Marketing Mail. Aside from Marketing mail letters (which, in this case, are almost all destination-entered) and PQ IV carrier route, the scores show a majority of districts are falling short of meeting service targets.

The more granular data on the next page summarizes district and area scores for Presorted First-Class Mail letters/cards (overnight and 2-, 3-, 4-, and 5-day) and overall Marketing Mail (letters, flats, and carrier route). Even more granular data is available from the PRC on the commission's website under the November 13 daily listing.

Summary of National-Level Service Performance – FY 2022-2024

Targets	Presorted First-Class Mail Letters/Postcards										Marketing Mail						Periodicals	
FY 22	94.75% overnight, 93.00% 2-day, and 90.50% 3-, 4-, & 5-day										91.84%						82.67%	
FY 23	95.00% overnight, 93.52% 2-day, and 92.20% 3-, 4-, & 5-day										93.64%						85.75%	
FY 24	**95.00% overnight, 95.00% 2-day, and 93.00% 3-, 4-, & 5-day**										**94.62%**						**87.29%**	
	Quarter					Year-to-Date					Quarter			Year-to-Date			Qrtr	Yr/Dt
	Over-night	2-Day	3-day	4-day	5-day	Over-night	2-Day	3-day	4-day	5-day	Over-all Ltrs	Over-all Flts	Over-all CR	Over-all Ltrs	Over-all Flts	Over-all CR	Com-bined	Com-bined
PQ I/22	95.0	92.4	87.2	91.8	96.5	95.0	92.4	87.2	91.8	96.5	93.1	81.4	91.3	93.1	81.4	91.3	80.3	80.3
PQ II/22	94.3	92.3	86.0	86.8	94.2	94.7	92.3	86.6	89.3	95.3	93.0	81.7	93.0	93.1	81.5	91.8	81.1	80.7
PQ III/22	95.6	94.7	93.0	94.5	97.3	95.0	93.1	88.6	91.0	96.0	95.8	86.5	95.1	94.0	83.0	92.7	86.4	82.4
PQ IV/22	95.5	94.5	93.3	94.3	95.9	95.1	93.4	89.7	91.8	95.9	95.8	88.1	95.1	94.4	84.3	93.3	86.6	83.3
PQ I/23	94.4	93.1	91.2	92.2	93.4	94.4	93.1	91.2	92.2	93.4	95.0	85.5	93.6	95.0	85.5	93.6	84.4	84.4
PQ II/23	94.9	93.9	92.0	91.6	91.1	94.6	93.5	91.6	91.9	92.2	95.9	88.1	94.3	95.4	86.6	93.9	86.3	85.2
PQ III/23	95.3	94.4	93.4	94.0	91.3	94.8	93.8	92.2	92.6	91.9	97.0	91.3	95.6	95.9	88.0	94.3	88.7	86.5
PQ IV/23	95.2	93.9	92.3	92.6	90.2	94.9	93.8	92.2	92.6	91.5	96.6	89.9	94.7	96.0	87.9	94.4	85.8	86.3
PQ I/24	94.1	91.4	86.6	94.1	91.4	94.1	91.4	86.6	94.1	91.4	95.3	85.1	91.9	95.3	85.1	91.9	80.3	80.3
PQ II/24	93.0	91.4	84.8	85.5	77.2	93.5	91.4	85.7	87.0	79.1	94.7	84.7	93.0	95.0	84.9	92.3	83.9	82.1
PQ III/24	93.3	91.0	86.1	88.2	83.1	93.4	91.2	85.9	87.5	80.9	94.7	84.7	93.4	94.9	84.8	92.6	83.9	82.7
PQ IV/24	93.9	92.7	90.2	91.8	92.2	93.5	91.5	86.8	88.4	83.2	96.1	86.1	94.3	95.2	85.1	93.0	84.2	83.0

District Target Achievement by Area Between 07/01/2024 and 09/30/2024 (PQ IV/FY 2024)

	Presorted First-Class Letters/Postcards										Marketing Mail					
	Quarter					Year to Date					Letters (Overall)		Flats (Overall)		Car Rte (Overall)	
Area	O'night	2-Day	3-Day	4-Day	5-Day	O'night	2-Day	3-Day	4-Day	5-Day	Qtr	Yr to Dt	Qtr	Yr to Dt	Qtr	Yr to Dt
Atlantic	5/12	0/12	2/12	4/12	3/12	4/12	0/12	0/12	0/12	0/12	12/12	11/12	0/12	0/12	8/12	5/12
Central	3/12	1/12	0/12	2/12	8/12	2/12	0/12	0/12	1/12	1/12	11/12	7/12	0/12	0/12	5/12	4/12
Southern	2/13	2/12	0/12	2/13	3/13	2/13	1/12	0/12	1/13	0/13	9/13	5/13	0/13	0/13	4/13	1/13
WestPac	10/13	10/12	11/12	5/13	7/13	9/13	9/12	7/12	2/13	0/13	13/13	13/13	2/13	0/13	12/13	9/13
Nation	*20/50*	*13/48*	*13/48*	*13/50*	*21/50*	*17/50*	*10/48*	*7/48*	*4/50*	*1/50*	*45/50*	*36/50*	*2/50*	*0/50*	*29/50*	*19/50*

USPS Service Performance – % On-Time for *Mail in Measurement* Between 07/01/2024 and 09/30/2024 (PQ IV/FY 2024)

	Presorted First-Class Letters/Postcards **										Marketing Mail **					
	Quarter					Year to Date					Letters (Overall)		Flats (Overall)		Car Rte (Overall)	
***Area*/District ***	O'night	2-Day	3-Day	4-Day	5-Day	O'night	2-Day	3-Day	4-Day	5-Day	Quarter	Yr to Dt	Quarter	Yr to Dt	Quarter	Yr to Dt
Atlantic	*94.7*	*92.8*	*91.6*	*92.4*	*91.9*	*94.4*	*91.5*	*88.2*	*89.3*	*81.3*	*96.6*	*96.0*	*87.8*	*85.9*	*95.1*	*93.7*
Connecticut	95.2	89.7	90.7	89.4	89.4	94.5	85.9	87.0	84.3	73.3	96.7	96.2	89.7	86.4	95.2	92.8
DE-PA 2	92.2	92.6	89.8	91.6	89.3	92.4	92.7	86.1	88.9	81.8	96.2	96.0	83.7	84.7	95.7	95.1
MA-RI	93.7	94.1	90.2	89.6	85.1	92.5	91.9	86.2	83.1	67.0	96.0	95.2	87.1	84.4	94.1	91.9
Maryland	89.2	90.9	89.8	92.2	85.6	88.9	90.3	86.1	88.7	74.4	96.5	96.1	87.4	86.9	94.7	94.7
ME-NH-VT	96.6	93.5	90.6	91.1	91.4	95.5	91.4	88.5	87.1	76.8	95.9	94.7	87.0	84.4	93.6	92.0
New Jersey	96.0	92.3	91.3	94.1	93.5	96.3	91.1	88.3	91.9	88.0	96.5	96.2	87.2	85.0	96.4	95.6
New York 1	88.6	90.5	93.4	93.7	90.3	83.9	89.1	89.6	91.0	83.6	95.5	94.1	85.5	82.4	91.9	88.7
New York 2	92.1	93.0	90.7	92.9	92.4	90.7	91.8	88.9	91.3	84.3	96.7	96.3	87.3	82.2	95.3	93.4
New York 3	95.5	94.2	93.0	92.6	90.0	95.1	93.1	90.6	88.9	77.4	96.9	96.7	90.8	89.9	96.3	95.2
North Carolina	95.0	94.7	92.6	93.7	95.5	94.3	93.1	88.0	91.3	86.6	97.5	97.1	88.8	87.6	95.1	94.1
Pennsylvania 1	94.7	94.5	92.6	93.5	94.9	95.4	94.6	90.2	92.0	85.8	97.4	97.5	91.0	90.6	96.5	96.7
Virginia	93.1	92.1	90.1	91.7	86.8	92.8	90.8	85.4	88.5	72.7	96.3	95.0	87.1	83.8	93.1	89.6
Central	*93.7*	*90.6*	*89.4*	*92.1*	*94.0*	*93.0*	*89.1*	*85.6*	*88.8*	*88.0*	*95.9*	*94.6*	*83.9*	*82.4*	*94.2*	*91.9*
IA-NE-SD	92.6	94.3	89.6	94.5	94.0	92.1	92.3	87.8	93.0	91.7	95.3	94.6	88.3	87.8	95.4	95.1
Illinois 1	85.6	88.5	89.0	91.7	94.8	82.7	85.8	81.9	82.9	88.3	95.6	92.8	83.6	80.1	91.7	89.4
Illinois 2	94.3	90.0	90.0	86.9	93.4	93.0	89.3	86.2	79.4	85.4	95.0	91.6	81.9	76.1	91.1	85.3
Indiana	96.7	88.9	91.8	94.6	95.6	96.4	85.7	86.6	92.2	90.0	96.0	95.0	83.6	81.3	94.1	91.0
KS-MO **↓FCM YTD**	90.7	90.6	84.5	85.0	89.4	88.2	86.8	76.7	74.7	79.7	94.5	92.4	80.8	75.5	90.8	85.0
KY-WV	94.2	92.2	88.5	90.4	91.9	94.6	89.3	85.7	85.5	85.1	96.8	96.5	86.1	86.9	96.3	96.1
Michigan 1	95.1	94.6	90.6	90.5	95.6	94.2	93.9	86.5	87.5	91.1	97.3	96.9	89.5	88.3	96.5	95.6
Michigan 2	95.9	95.4	92.3	91.4	95.5	95.5	94.9	90.6	88.7	93.1	97.0	97.0	91.8	91.9	97.5	97.4
MN-ND	93.7	92.3	85.4	92.0	93.9	93.8	92.3	81.6	87.8	91.4	96.4	95.5	83.7	84.6	93.9	92.2
Ohio 1	93.5	94.3	91.2	91.0	94.2	92.4	92.8	87.6	85.8	83.8	96.4	93.8	77.6	78.8	94.1	91.2
Ohio 2	93.8	88.2	91.7	88.3	90.6	94.2	87.7	88.7	85.4	83.1	96.1	96.3	84.8	85.9	94.1	94.4
Wisconsin	93.1	89.0	85.1	88.0	92.5	92.6	88.9	82.1	84.9	90.1	95.4	94.8	81.0	79.9	95.5	94.1
***Southern* ↓FCM Q4/YTD ↓MKT Q4/YTD**	*91.9*	*91.9*	*87.9*	*91.7*	*91.1*	*91.8*	*89.8*	*84.2*	*88.5*	*81.7*	*94.6*	*93.5*	*82.0*	*82.2*	*91.2*	*90.6*
AL-MS	94.7	92.6	86.2	88.5	88.4	94.1	88.0	78.1	78.9	78.9	95.9	93.1	81.7	77.4	91.3	89.0
AR-OK	95.2	92.0	86.2	86.4	85.8	95.3	91.7	83.0	81.5	82.9	95.8	95.8	87.8	88.2	95.9	96.0
Florida 1	94.7	92.7	85.3	91.9	88.6	94.6	94.5	81.9	88.8	79.1	94.3	93.8	82.9	79.2	92.7	91.3
Florida 2	95.1	92.8	92.5	94.5	92.4	96.0	94.9	90.9	93.2	85.9	96.5	96.0	89.1	87.4	95.0	94.2
Florida 3	93.4	87.8	89.8	92.7	91.4	92.9	89.5	86.7	88.8	79.6	95.1	93.7	79.6	77.9	90.8	88.4
Georgia **↓MKT YTD**	92.2	89.8	88.7	91.8	91.1	81.9	83.7	82.4	85.4	72.9	92.8	86.8	72.9	69.9	78.1	77.2
Louisiana	92.1	93.5	86.1	86.3	93.1	93.9	93.6	82.1	77.8	80.8	95.0	93.5	84.6	83.5	91.8	91.8
Puerto Rico	93.8	95.7	N/A	88.2	94.2	94.9	97.2	N/A	86.5	92.3	96.4	95.3	77.6	80.8	97.9	88.5
South Carolina	92.6	91.9	85.1	91.2	89.6	92.1	90.1	80.4	87.0	78.4	96.9	96.1	86.4	85.8	93.9	93.2
Tennessee	93.8	88.6	87.2	84.9	84.8	93.0	83.6	80.6	74.0	77.1	96.2	94.1	82.7	82.3	94.0	92.8
Texas 1	90.3	93.3	90.6	94.1	95.9	90.2	92.5	89.1	92.1	92.8	94.3	94.1	85.8	87.5	94.3	94.3
Texas 2 **↓FCM Q4 ↓ MKT Q4**	76.9	N/A	84.2	89.2	89.3	88.1	N/A	85.9	87.6	86.4	88.4	91.5	61.0	76.4	81.1	85.8
Texas 3	92.8	84.2	88.1	88.9	92.1	92.8	83.0	86.9	85.2	87.0	95.1	94.8	89.6	89.4	95.3	94.6
***Westpac* ↑FCM Q4/YTD ↑MKT Q4/YTD**	*95.6*	*96.1*	*94.9*	*91.0*	*92.2*	*95.3*	*96.0*	*92.9*	*86.6*	*83.2*	*97.6*	*97.0*	*91.0*	*90.4*	*96.3*	*95.6*
Alaska	98.9	98.4	N/A	92.0	88.5	98.8	97.9	N/A	90.9	88.0	96.2	95.3	92.9	82.2	98.2	91.8
AZ-NM	94.9	96.7	93.0	91.1	92.8	95.4	96.5	89.6	86.7	83.8	97.1	96.4	91.3	90.9	97.9	97.5
California 1 **↑FCM Q4 ↑MKT YTD**	97.5	96.6	95.2	95.4	94.1	97.6	95.9	93.5	91.7	82.9	98.4	98.2	95.2	94.1	97.6	97.7
California 2	96.2	96.2	96.2	89.6	91.3	96.0	95.2	94.4	84.4	81.6	98.2	97.5	91.5	91.1	95.2	94.9
California 3 **↑MKT Q4**	96.3	96.1	97.2	94.3	93.9	96.1	96.4	96.4	92.7	84.8	98.5	98.2	95.0	93.9	97.8	97.6
California 4	98.1	96.7	97.6	94.9	94.8	98.0	96.9	96.8	93.2	88.2	97.9	98.0	94.0	94.4	97.1	96.5
California 5	96.4	96.0	95.0	90.3	91.4	95.3	96.4	94.6	88.6	83.8	97.0	97.0	90.7	89.5	95.2	94.5
California 6	96.4	95.7	96.7	94.1	95.3	96.8	96.2	96.1	93.3	87.9	98.4	98.3	90.3	90.3	96.4	96.6
CO-WY	95.1	90.0	90.9	92.0	93.0	93.2	91.1	88.1	87.2	84.6	96.3	95.0	85.4	83.6	93.1	90.6
Hawaii **↑FCM YTD**	96.5	N/A	94.0	93.4	94.3	97.0	N/A	97.8	91.6	92.6	98.3	97.7	87.2	86.7	97.3	97.4
ID-MT-OR	95.2	97.3	93.2	90.4	90.6	94.4	96.9	90.1	84.8	81.0	97.4	96.2	90.6	89.6	94.9	94.1
NV-UT	94.9	95.4	93.4	86.8	93.5	94.5	91.7	89.7	77.3	82.0	97.5	96.5	90.6	90.4	97.5	96.4
Washington	94.8	94.4	93.5	90.4	90.5	94.3	94.7	91.0	86.1	80.0	97.1	96.6	91.2	90.9	96.4	96.0
Nation	*93.9*	*92.7*	*90.2*	*91.8*	*92.2*	*93.5*	*91.5*	*86.8*	*88.4*	*83.2*	*96.1*	*95.2*	*86.1*	*85.1*	*94.3*	*93.0*

Presorted First-Class: 95.00% overnight and 2-day; 93.00% for 3-, 4-, & 5-day **<<<< FY 2024 Targets >>>>** **Marketing Mail:** 94.62%

* = **↑ Best combined PQ or YTD score** **↓ Worst combined PQ or YTD score** for Presorted First-Class Letter/Postcards **or** Overall Marketing Mail Letters/Flats/Carrier Route

** = ***HIGHEST AREA CATEGORY SCORE*** **HIGHEST DISTRICT CATEGORY SCORE** ☐ **= Below Service Target** ***LOWEST AREA CATEGORY SCORE*** **LOWEST DISTRICT CATEGORY SCORE**

All the Official Stuff

Federal Register

Postal Service

NOTICES

November 6: International Product Change: Priority Mail Express International, Priority Mail International, and First-Class Package International Service Agreement, 88067.

November 8: International Product Change: Priority Mail Express International, Priority Mail International, and First-Class Package International Service Agreement, 88826.

November 13: International Product Change: Priority Mail Express International, Priority Mail International, and First-Class Package International Service Agreement, 89662-89663; Product Change [40]: Priority Mail Express, Priority Mail, and USPS Ground Advantage Negotiated Service Agreement [34], 89662, 89663, 89663, 89663, 89663, 89663, 89664, 89664, 89664, 89664, 89664, 89665, 89665, 89665, 89665, 89666, 89666, 89666, 89666, 89666, 89667, 89667, 89667, 89667, 89667, 89668, 89668, 89668, 89668, 89669, 89669, 89669, 89669, 89670; Priority Mail and USPS Ground Advantage Negotiated Service Agreement [6], 89665, 89666, 89668, 89669, 89670, 89670.

November 14: Product Change [61]: Priority Mail Express, Priority Mail, and USPS Ground Advantage Negotiated Service Agreement [48], 90078, 90078, 90078, 90079, 90079, 90079, 90079, 90080, 90080, 90080, 90080, 90080, 90081, 90081, 90081, 90082, 90082, 90082, 90083, 90083, 90083, 90083, 90083, 90083, 90084, 90084, 90084, 90084, 90084, 90085, 90085, 90085, 90085, 90085, 90086, 90086, 90086, 90087, 90087, 90087, 90087, 90088, 90088, 90089, 90089, 90089, 90089; Priority Mail and USPS Ground Advantage Negotiated Service Agreement [13], 90079, 90079, 90081, 90081, 90082, 90082, 90086, 90086, 90086, 90087, 90088, 90088, 90088.

November 15: Product Change [82]: Priority Mail Express, Priority Mail, and USPS Ground Advantage Negotiated Service Agreement [63], 90323, 90324, 90324, 90324, 90325, 90325, 90325, 90325, 90325, 90326, 90326, 90326, 90327, 90327, 90327, 90327, 90328, 90328, 90328, 90328, 90328, 90329, 90329, 90329, 90329, 90330, 90330, 90330, 90330, 90331, 90331, 90331, 90331, 90331, 90332, 90332, 90332, 90332, 90333, 90333, 90333, 90333, 90334, 90334, 90334, 90334, 90334, 90335, 90335, 90335, 90335, 90336, 90336, 90336, 90336, 90337, 90337, 90337, 90338, 90338, 90338, 90338, 90339; Priority Mail and USPS Ground Advantage Negotiated Service Agreement [19], 90324, 90324, 90324, 90326, 90326, 90327, 90328, 90329, 90330, 90331, 90332, 90333, 90334, 90335, 90336, 90337, 90337, 90337, 90338.

PROPOSED RULES

November 15: Service Standards for Market-Dominant Mail Products, 90241-90249.

FINAL RULES

[None.]

Postal Regulatory Commission

NOTICES

November 5: New Postal Products, 87902-87904.

November 7: Complaint, 88310; New Postal Products [2], 88312, 88312-88314.

November 8: New Postal Products, 88821-88823; Complaint Proceeding, 88823; Notice Initiating Docket(s) for Recent Postal Service Competitive Negotiated Service Agreement Filings, 88823-88825.

November 12: Notice Initiating Docket(s) for Recent Postal Service Competitive Negotiated Service Agreement Filings, 89058-89061.

November 14: New Postal Products, 90076-90078.

November 15: New Postal Products, 90321-90323.

November 18: New Postal Products, 90773-90775.

PROPOSED RULES

[None.]

FINAL RULES

[None.]

DMM Advisory

November 6: International Service Suspension Notice – effective November 8, 2024. [Iran]

November 13: International Service Suspension Notice – effective November 15, 2024. [Haiti]

November 15: Monthly Labeling List Changes.

Postal Bulletin (PB 22663, November 14)

- Effective **December 1**, Labeling Lists L001, L002, L004, L005, L007, L008, L010, L012, L606, and L801 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 December 1, 2024, effective date through January 31, 2025, expiration date.
- Effective **January 19**, DMM 507.5.1.2, 507.5.1.3, 507.5.2, and 507.5.3, are revised to reflect that the Postal Service is expanding product eligibility of Package Intercept service. … Although the Postal Service will not publish these revisions in the DMM until January 19, 2025, these standards are effective immediately.
- Effective **November 14**, the IMM Individual Country Listing for Afghanistan is revised to note that a new 6-digit postcode was developed to identify delivery zones in Afghanistan. This new postcode extension went into effect on October 1, 2024.
- Effective **November 14**, the IMM Individual Country Listing for Kenya is revised to include certain addressee information on every item destined to Kenya.
- Effective November 14, the IMM Individual Country Listing for Serbia is revised to add an observation about including the addressee's mobile phone number and email address when mailing items containing goods to Serbia.

> *Postal Bulletin* announcements of revisions to the DMM, IMM, or other publications often contain **two** dates: when a *revised document* is effective, and when a *revised standard* is effective. The effective date of a revised standard is typically *earlier* than when it will appear in a revised publication.

USPS Industry Alerts

November 4, 2024

Register Now for NPF 2025 for Discount Opportunities

"Early bird" registration is open for the 2025 National Postal Forum (NPF), the premier event for professionals across the shipping and mailing supply chain. Join us at the Gaylord Opryland Convention Center, in Nashville, TN, April 27-30, to explore cutting-edge innovations, connect with top experts, and expand your professional network. NPF is the only place where you will hear from the Postmaster

General (PMG) and his executive leadership team on the dynamic changes taking place with the *Delivering for America* plan, including the modernization of the postal network, improved service across all mail and shipping categories, and the transformation taking place to ensure long-term financial sustainability. NPF will feature a PMG Keynote Address, Leadership Insight sessions, over 100 workshops, a state-of-the-art exhibit hall, program certifications, networking events, and much more. Don't miss out on this opportunity to be a part of the conversation and gain actionable insights to integrate into your operations. Early bird registration is open through January 3, 2025 and offers discounts to attendees. For details on how to register for the Forum please visit NPF 2025.

November 4, 2024

Reminder: eVS Shippers are required to migrate to USPS Ship by Feb 1, 2025; USPS Ship Weekly Webinars

The US Postal Service is hosting weekly webinars highlighting the features of USPS Ship during the transition from eVS. Existing eVS shippers and new shippers are encouraged to join an upcoming session. Please also visit Postal Pro to view presentations from prior sessions.

Upcoming webinars: November 6 at 1:00-2:00 ET: USPS Ship Overview, Migration and Enrollment; November 13 at 1:00-2:00 ET: USPS Ship Overview of Data Feeds and Reports: Manifested Packages; November 20 at 1:00-2:00 ET: USPS Ship Overview of Data Feeds and Reports: Census and Monthly Assessments (Unmanifested and Duplicate Packages); November 27 Cancelled for Thanksgiving holiday; December 4 at 1:00-2:00 ET: eVS to USPS Ship Comparison and Transition. *More Dates and Topic Areas to Follow.*

Webinar URL *NEW*: https://usps.zoomgov.com/j/1613211624?pwd=XfCNbXZiCDD6NbpfDPAEqee7kma4qG.1; Webinar ID: 161 321 1624; Passcode: 016385. If requested, enter your name and email address. Join Audio by the options below: Call using Internet Audio; Dial: 503-336-1236 or 952-229-5070 or 650-581-7094 or 855-860-4313 or 678 317 3330 & use the Webinar ID and Passcode above.

November 4, 2024

[UPDATE] PostalOne! System – Informed Delivery Promotion Processing

On Friday, November 1, 2024, the United States Postal Service identified an issue in the PostalOne System processing Informed Delivery Promotion Discounts. The issue has been resolved and the PostalOne System application is currently processing Informed Delivery Promotion Discounts. Impacted Postage Statements are under review and refunds will be issued after review completion. We apologize for any inconvenience. All Business Service Administrators (BSAs) should alert their impacted stakeholders. During normal business hours M-F (7:00 AM CT – 7:00 PM CT), direct any inquiries or concerns to the Mailing and Shipping Solutions Center (MSSC) via eMail [MSSC@usps.gov] or telephone [(877) 672-0007].

November 5, 2024

Mail Spoken Here – October 2024 Edition – Industry Engagement & Outreach Newsletter

Please enjoy the latest edition of Mail Spoken Here attached. The newsletter contains informative and important articles on the following topics: Postal Service Ready to Deliver for the Holidays - Delivering for America Plan Investments Fuel Seasonal Preparedness; Charlotte NC Local Processing Center Goes Live - November 23, 2024; USPS Joins White House, others to Combat Opioid Overdoses; USPS, NALC Reach Tentative Agreement; Need it to Arrive by Dec. 25? Here's When to Send - USPS Releases Recommended; Retirement of APIs Version 1 and Version 2; New Stamps - Release Date, Location Updates (There's Whimsy in the Winter air - These New Stamps Celebrate Snowflakes; A Show of Unity - USPS Dedicates its New Kwanzaa Stamp; Attitude of Gratitude - How Much do you know About the New Thank You Stamp?; This Game is Well-Played - Postal Service Employees Delight in D&D Stamps' Approval); Mailers Technical Advisory Committee (MTAC); Upcoming Events; A few Fun Facts about November!; *Federal Register* Notices; Negotiated Service Agreements – Listing; The Latest *Postal Bulletin*s. Thank you very much everyone. Have a wonderful Thanksgiving.

November 5, 2024

PostalOne System – [INCIDENT # 9156691] Processing Delays

On Tuesday, November 5, 2024, the United States Postal Service identified an issue in the PostalOne System causing delays in processing. Some postage statements submitted between October 28, 2024 and November 4, 2024 were not auto-finalized for seamless jobs. A data repair scheduled for tonight will address this issue. Additionally, some postage statements submitted between October 26, 2024 and October 30, 2024 have not finalized, remain in PMT status and data repair to address this issue is scheduled for Tuesday, November 12, 2024. We apologize for any inconvenience. All Business Service Administrators (BSAs) should alert their impacted stakeholders. During normal business hours M-F (7:00 AM CT – 7:00 PM CT), direct any inquiries or concerns to the Mailing and Shipping Solutions Center (MSSC) via eMail [MSSC@usps.gov] or telephone [(877) 672-0007].

November 6, 2024

Peak Season Network Update Webinars

As part of our ongoing partnership, USPS Operations will host a recurring (Monday, Wednesday, Friday at 12:00PM EST) webinar series to communicate peak conditions related to Processing, Delivery, Logistics, and Weather-related impacts. Webinars will start Wednesday November 13th and conclude Friday January 3rd. Due to the anticipated large attendance, questions will be taken from the Q&A. To facilitate follow up, registration is required via the link below. You will be asked to provide your First Name, Email, and your Organization. Note: There will be no webinars December 25th or January 1st. Thank you in advance for making time to attend.
https://usps.zoomgov.com/webinar/register/WN_xeJywJKDSrqaAjCHtjaRyg.

November 6, 2024

International Service Suspension Notice Effective - November 8, 2024

Effective November 8, 2024, the Postal Service will suspend international mail acceptance to Iran until further notice due to unavailable transportation. Customers are asked to refrain from mailing items addressed to the following countries, until further notice: **Iran**. This service disruption affects Priority Mail International (PMI), First-Class Mail International (FCMI), and First-Class Package International Service (FCPIS) items. Unless otherwise noted, service suspensions to a particular country do not affect delivery of military and diplomatic mail. For already deposited items, Postal Service International Service Center (ISC) employees will endorse the items as "Mail Service Suspended – Return to Sender" and then place them in the mail stream for return. According to DMM 604.9.2.3, customers are entitled to a full refund of their postage costs when service to the country of destination is suspended. The detailed procedures to obtain refunds for

Retail Postage, eVS, PC Postage, and BMEU entered mail can be found through the following link: https://postalpro.usps.com/international-refunds. The Postal Service is closely monitoring the situation 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.

November 7, 2024

Web Tools Retirement and Migration Dates

Web Tools API	USPS APIs Equivalent
Addressing	https://developers.usps.com/api/93
Tracking and Delivery Information	https://developers.usps.com/api/87
Domestic Price Calculator	https://developers.usps.com/api/73
Domestic Prices and Service Standards	https://developers.usps.com/api/96
International Price Calculator	https://developers.usps.com/api/77
Domestic Shipping Labels	https://developers.usps.com/api/71
International Shipping Labels	https://developers.usps.com/api/75
SCAN Form	https://developers.usps.com/api/91
Package Pickup	https://developers.usps.com/api/89
Service Standards and Commitments	https://developers.usps.com/api/85
Facility and Post Office Locator	https://developers.usps.com/api/79

The Web Tools API platform will be retired on January 25, 2026. All users must migrate to the new USPS APIs to avoid service disruptions. This deadline is in addition to the Web Tools label API migration and retirement that went into effect July 14, 2024. Additional support specific to label API migration can be found under Announcements at Web Tools APIs | USPS. Label API migration feedback can be provided at Migration Feedback. Web Tools API Retirement and Migration Details: Web Tools API integrators must migrate to the USPS APIs before January 25, 2026, to avoid service disruptions. The new USPS APIs (https://developers.usps.com) offer modernized security and authentication methods via OAuth 2.0, more product and payment options, webhooks push notifications, and improved performance. Web Tools API functional equivalents on the new USPS APIs platform can be found in the API Catalogue at https://developers.usps.com/apis. The list above is not exhaustive. Please contact webtools@usps.gov or APISupport@usps.gov for additional support.

November 7, 2024 [as revised]

Update: Charlotte NC Local Processing Center Opening Postponed

The opening of the Charlotte NC Local Processing Center (Locale Key: 008903 NASS Code: 282LP) located at 1820 W Pointe Drive STE A, Charlotte NC, 28214-9106 has been postponed and will not begin receiving originating or destinating mail on November 23, 2024, as expected. Until further notice, all mail must be delivered to the Charlotte NC Regional Processing Distribution Center (RPDC) (Locale Key 020307: NASS Code: 280RP) located at 524 Scalybark Rd, Gastonia NC, 28054-9994. All Charlotte NC LPC SCF (280, 281, 282, 297) Destination Entry Letters and flat mail along with all classes and shapes of mail and packages will be accepted and processed through the Charlotte RPDC. Note: All Misship errors due to this entry change will be removed from the Mailer Scorecard during this period. If you have any questions or concerns, please contact the FAST Help Desk at FAST@usps.gov or by telephone at 877 569-6614 (Option #3).

November 7, 2024 [as revised November 9]

Update: Waiver of October 2024 Mailer Scorecard Seamless Undocumented Assessments

As a result of recent PostalOne issues in which mailing statements cannot be finalized or stuck in a payment (PMT) status and may have caused our partners in the mailing industry to have negative impacts to Seamless undocumented reporting on the Mailer Scorecard along with potential assessments. Therefore, the US Postal Service has made a decision to move forward with a data repair (DR) to waive Mailer Scorecard assessments for Seamless undocumented pieces for only the impacted customers for the month of October 2024. Normal Seamless assessments will resume for the November Mailer Scorecard. We appreciate your business and look forward to a continued partnership in the future.

November 13, 2024

International Service Suspension Notice Effective - November 15, 2024

Effective November 15, 2024, the Postal Service will suspend international mail acceptance to Haiti until further notice due to unavailable transportation. Customers are asked to refrain from mailing items addressed to the following countries, until further notice: **Iran**. This service disruption affects 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. For already deposited items, Postal Service International Service Center (ISC) employees will endorse the items as “Mail Service Suspended – Return to Sender” and then place them in the mail stream for return. According to DMM 604.9.2.3, customers are entitled to a full refund of their postage costs when service to the country of destination is suspended. The detailed procedures to obtain refunds for Retail Postage, eVS, PC Postage, and BMEU entered mail can be found through the following link: https://postalpro.usps.com/international-refunds. The Postal Service is closely monitoring the situation 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.

November 13, 2024

US Postal Service Announces Retirement of Chief Financial Officer Joseph Corbett and Appointment of Luke Grossmann as Successor

The US Postal Service (USPS) announced the retirement of Joseph “Joe” Corbett, Chief Financial Officer and Executive Vice President, effective December 31, 2024. During a distinguished career with the Postal Service since 2009, Corbett made significant contributions to the organization, navigating complex financial landscapes and implementing key strategies that have shaped its operations. Corbett has served as the CFO and Executive Vice President, overseeing Finance and Strategy, Treasury, Accounting, Pricing and Costing, and Supply Management functions. His tenure has been marked by a commitment to financial transparency and responsible decision-making, particularly following the enactment of the Postal Accountability and Enhancement Act, which transformed the Postal Service’s operational framework. Before joining the Postal Service, Corbett built an extensive career in accounting and finance, spending over a decade at KPMG, where he worked with large publicly and privately held companies. He also held senior management roles at Intelsat, Ltd. and

Bearing Point, Inc. rising to Chief Accounting Officer and Chief Financial Officer of both. Prior to this, he held a senior financial management role at NVR, Inc. "Joe has been a cornerstone of our financial strategy and decision-making, guiding the Postal Service through numerous financial challenges," said Postmaster General Louis DeJoy. "We thank him for his invaluable contributions and wish him all the best in his future endeavors." Luke Grossmann has been appointed as the new Chief Financial Officer and Executive Vice President, effective November 30, 2024. Currently serving as the Senior Vice President of Finance & Strategy, Grossmann brings a wealth of experience and knowledge to his new role. He has been pivotal in leading the Postal Service's strategic planning, budgeting, forecasting, and financial analysis efforts. Since joining the Postal Service in 2005, Grossmann has held various positions that have prepared him for this leadership role, including Director of Operations Research, Insight and Continuous Improvement, and District Manager of Albany, New York. His educational background includes a bachelor's degree in economics and finance from American University, an MBA from the University of Maryland, and a Master of Science in management from the Massachusetts Institute of Technology as a Sloan Fellow. "We are excited to welcome Luke as our new CFO," said DeJoy. "His proven leadership and extensive experience with the Postal Service will be instrumental in continuing our financial strategy and supporting the Delivering for America plan." As the Postal Service transitions to new financial leadership, it remains committed to its mission of providing reliable and efficient service to the American public.

November 14, 2024

New Promotions Updates on PostalPro

We are excited to inform you about the latest promotions updates posted on PostalPro Stay ahead with the newest information on promotion webinars, meetings, and other important news. New updates now available on PostalPro: Information on acceptable requirements for the Sustainability Add-On; Introducing a new 2025 FAQs section providing further assistance and to answer common questions; Informed Delivery Integration instructional video allowing mailers the option to create ID campaigns from the Mailing Promotions Portal. For the most up-to-date alerts, bookmark our PostalPro page: PostalPro.usps.com/promotions. Thank you for staying connected with us!

November 15, 2024

Business Customer Gateway eDoc Training Series – Business Customer Gateway (BCG) and Postal Wizard (PW)

The Postal Service is hosting bi-weekly webinars on utilizing the Business Customer Gateway (BCG) for electronic documentation (eDoc) and postage statement submission. The topics alternate between using the Business Customer Gateway (BCG) / Postal Wizard (PW) and Intelligent Mail for Small Business (IMsb) Tool applications. Learn how to eliminate hard copy postage statements and submit Full-Service mail! Software customers should work with their software provider to find eDoc solutions. As an additional tool to assist mailers with the conversion to Electronic Postage Statement submission, the Postal Service has published a video outlining how to use the Business Customer Gateway and Postal Wizard postage statement submission available on PostalPro: Industry Session: Business Customer Gateway and Postal Wizard Recording | PostalPro (usps.com). Also, a recording of the IMsb Tool session has been posted on PostalPro: Industry Session: Intelligent Mail Small Business (IMsb) Tool Recording | PostalPro (usps.com). Upcoming webinars: November 19: Intelligent Mail for Small Business Tool (IMsb); December 3: Business Customer Gateway (BCG)/ Postal Wizard (PW); December 17: Intelligent Mail for Small Business Tool (IMsb). Join us for the next session – Intelligent Mail for Small Business Tool (IMsb) on Tuesday, November 19, 2024, at 1:00 PM EST. Meeting URL: https://usps.zoomgov.com/j/1603767418?pwd=TTFONWNVMXQ2UW1wcUVCcEt5WFllZz09; Meeting ID: 160 376 7418; Password: 996767. If requested, enter your name and email address; Enter meeting password: 996767. 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. Note: Meeting links and presentations are also posted on PostalPro and can be found at Mailing Services | PostalPro (usps.com).

November 15, 2024

Reminder: eVS Shippers are required to migrate to USPS Ship by Feb. 1, 2025

Shippers enrolled in USPS Ship Pilot should access the Business Customer Gateway Shipping Services and Mailing Services tabs to enroll in USPS Ship Account Management, USPS Ship Disputes and Refund Requests, USPS Ship Reports, and Informed Delivery (IV-MTR) for data feeds. You will remain in eVS Live until you initiate enrollment to USPS Ship Live with your sales representative. Until you enroll in USPS Ship Live, you will still be charged by eVS. All eVS Live shippers have been automatically enrolled in USPS Ship Pilot as of July 2, 2024. USPS Ship Weekly Webinars: The US Postal Service is hosting weekly webinars highlighting the features of USPS Ship during the transition from eVS. Existing eVS shippers and new shippers are encouraged to join an upcoming session. Please also visit Postal Pro to view presentations from prior sessions. Planned Webinars: November 6 at 1:00-2:00 ET; USPS Ship Overview, Migration and Enrollment. November 13 at 1:00-2:00 ET; USPS Ship Overview of Data Feeds, and Reports; Manifested Packages. November 20 at 1:00-2:00 ET; USPS Ship Overview of Data Feeds, and Reports; Census and Monthly Assessments (Unmanifested and Duplicate Packages). November 27 Cancelled for Thanksgiving holiday. December 4 at 1:00-2:00 ET; eVS to USPS Ship Comparison and Transition. More Dates and Topic Areas to Follow. Webinar URL *NEW*: https://usps.zoomgov.com/j/1613211624?pwd=XfCNbXZiCDD6NbpfDPAEqee7kma4qG.1; Webinar ID: 161 321 1624; Passcode: 016385. If requested, enter your name and email address. Join Audio by the options below: Call using Internet Audio; Dial: 503-336-1236 or 952-229-5070 or 650-581-7094 or 855-860-4313 or 678 317 3330 & use the Webinar ID and Passcode above.

Calendar

To register for any Mailers Hub webinar, go to MailersHub.com/events

December 3 – ***Mailers Hub* Webinar**

Starting January 9, 2025, Mailers Hub webinars will be at 1pm on *Thursdays*, rather than Tuesdays, to minimize conflicts with other events.

January 9 – ***Mailers Hub* Webinar**
January 14-15 – MTAC Meeting, USPS Headquarters
January 30 – ***Mailers Hub* Webinar**
February 20 – ***Mailers Hub* Webinar**
March 11-12 – MTAC Meeting, USPS Headquarters
March 13 – ***Mailers Hub* Webinar**
March 27-30 – MFSA Conference, Grapevine (TX)
April 3 – ***Mailers Hub* Webinar**
April 24 – ***Mailers Hub* Webinar**
April 27-30 – National Postal Forum, Nashville (TN)
May 15 – ***Mailers Hub* Webinar**
June 5 – ***Mailers Hub* Webinar**
June 8-12 – IPMA Conference, Spokane (WA)
June 26 – ***Mailers Hub* Webinar**
July 17 – ***Mailers Hub* Webinar**
July 22-23 – MTAC Meeting, USPS Headquarters
August 7 – ***Mailers Hub* Webinar**
August 28 – ***Mailers Hub* Webinar**
September 18 – ***Mailers Hub* Webinar**
October 7-8 – MTAC Meeting, USPS Headquarters
October 9 – ***Mailers Hub* Webinar**
October 22-24 – Printing United, Orlando (FL)
October 30 – ***Mailers Hub* Webinar**
November 20 – ***Mailers Hub* Webinar**
December 11 – ***Mailers Hub* Webinar**

Thanks to Our Supporting Partners

BCC SOFTWARE — A BLUECREST COMPANY
Canon — CANON SOLUTIONS AMERICA
eNRU — Logistics and Postal Optimization
accuzip
hp
SNAILWORKS™ — COORDINATED DIRECT MARKETING PLATFORM
MCS — INDUSTRIAL INKJET TECHNOLOGY
WMP — WHITTIER MAILING PRODUCTS

Thanks to Our Partner Associations and APAN Affiliates

GRAPHIC MEDIA ALLIANCE
PRINT & GRAPHIC COMMUNICATIONS ASSOCIATION
PGAMA — Printing & Graphics Association MidAtlantic
PICA — PROMOTING THE INDUSTRY Focused on Members Success
piag — Printing&Imaging Association of Georgia — JOIN · PARTICIPATE · SUCCEED
PIM — PRINTING INDUSTRY midwest
PINE — PRINTING INDUSTRIES OF NEW ENGLAND
IPMA — In-Plant Printing and Mailing Association®
MFSA™ — MAILING & FULFILLMENT SERVICES ASSOCIATION — THEMFSA.ORG
National Association of College & University Mail Services

USPS PROPOSED RULE – Service Standards for Market-Dominant Mail Products

POSTAL SERVICE

39 CFR Part 121

Service Standards for Market-Dominant Mail Products

AGENCY: Postal Service.

ACTION: Proposed rule.

SUMMARY: The United States Postal Service seeks public comment on proposed revisions to the service standards for certain market-dominant mail products. The Postal Service proposes to restructure the service standards, such that service standards for domestic First-Class Mail would retain the current day range of 1-5 days (as well as the current 0-1 days for USPS Connect Local), while being calculated, with certain exceptions, as the sum of delivery days accruing across three successive operational legs reflecting end-to-end service from an originating 5-digit ZIP Code to a destinating 5-digit ZIP Code. The proposed rule would also partially adjust the service standards for end-to-end Periodicals, USPS Marketing Mail, and Package Services so that they would all be primarily based on the standards for First-Class Mail, consistent with the Postal Service's implementation of a more integrated network, thus continuing our efforts to eliminate our legacy network that, due to its poor design, has multiple, redundant network flows. In particular, the proposed service standards align with operational initiatives that the Postal Service plans to implement on a nationwide basis to fundamentally transform our processing and transportation networks to achieve greater operational precision and efficiency, significantly reduce costs, and enhance service pursuant to the Delivering for America strategic plan ("Plan"). The Postal Service is required by law to provide prompt, reliable, and efficient universal postal services in a financially self-sufficient manner, through an integrated network for the delivery of mail and packages at least six days a week. However, the Postal Service currently is not achieving the requirements of the statute, as we lack a network that enables the integrated movement of mail and packages in a precise, efficient, and cost-effective manner. The Postal Service network has not been appropriately adjusted to account for volume and mail mix changes, including the substantial decline in Single-Piece First-Class Mail and increase in package volume, leading to significant inefficiencies. These initiatives will comprehensively transform these operations to fix the problems that exist today and create a network that enables the integrated movement of mail and packages in a precise and cost-effective manner far into the future. These initiatives would lead to a net positive impact for First-Class Mail from a service standard perspective, and generally faster service for end-to-end USPS Marketing Mail, Periodicals, and Package Services. They will also lead to substantial cost savings (estimated at between $3.6 to $3.7 billion annually), which is critical given the Postal Service's current poor financial condition, which can be addressed only through comprehensive changes to reduce costs and increase efficiency (in conjunction with the other elements of the Plan). Further details of the proposed changes appear below.

DATES: Comments must be received on or before December 31, 2024.

ADDRESSES: Mail or deliver written comments to the Director, Product Classification, US Postal Service, 475 L'Enfant Plaza SW, Room 4446, Washington, DC 20260-3436. Email comments, containing the name and address of the commenter, may be sent to: PCFederalRegister@usps.gov, with a subject line of "Service Standards for Market-Dominant Mail Products." Faxed comments are not accepted. 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 Monday through Friday, 9am and 4pm by calling 202-268-2906.

FOR FURTHER INFORMATION CONTACT: Martha Johnson, Senior Public Relations Representative, at martha.s.johnson@usps.gov or (202) 268-2000.

SUPPLEMENTARY INFORMATION:

I. Introduction

The Postal Service proposes to amend 39 CFR part 121 to revise the current service standards for certain market-dominant products. These revisions achieve the objectives set forth in 39 USC 3691(b), taking into account the factors of 39 USC 3691(c). Overall, they further the Postal Service's obligations under 39 USC 101 and other provisions of Title 39 of the US Code to provide universal postal services in a prompt, reliable, and efficient manner. The Postal Service is required by law to provide universal postal services in a financially self-sufficient manner, through an integrated network for the delivery of mail and packages at least six days a week. The Postal Service currently is not financially self-sufficient, and also lacks a network that is conducive to the logical, efficient, cost-effective, and reliable movement of mail and packages in an integrated manner from origin to destination in the modern postal environment, taking into account the current and projected volume and product mix. By implementing these operational initiatives and the proposed standards with which they are aligned, the Postal Service would be able to better balance and achieve these statutory policies and achieve the goals of the Plan to create a high-performing, financially sustainable organization.

The current standards for First-Class Mail lead to high costs and inefficiencies in the transportation and processing network, and are not conducive to providing reliable and consistent service. The Postal Service is adjusting the service standards to improve our capability to deliver mail reliably and predictably for Postal Service customers, while enhancing the ability to increase operational efficiency and effectiveness consistent with best business practices. These standards would allow the Postal Service to better meet customer needs for prompt and reliable service, while supporting the maintenance of reasonable postage rates.

Before describing how service standards would be revised, it is important to understand how service standards are structured in Postal Service regulations. Service standards contain two components: (1) a delivery day range within which mail in a given product is expected to be delivered; and (2) business rules that determine, within a product's applicable day range, the specific number of delivery days after acceptance of a mail piece by which a customer can expect that piece to be delivered, based on the ZIP Code prefixes associated with the piece's point of entry into the mail stream and its delivery address. As noted above, the Postal Service proposes to restructure the service standards for domestic First-Class Mail, with certain exceptions, as the sum of delivery days accruing across three successive operational legs reflecting end-to-end service from an originating 5-digit ZIP Code to a destinating 5-digit ZIP Code. Leg 1 begins with collection and ends with acceptance at the applicable originating processing facility. Leg 2 begins with acceptance at the originating processing facility and ends with acceptance at the applicable destinating processing facility. Leg 3 begins with acceptance at the destinating processing facility and ends with delivery.

With respect to Leg 1, the Postal Service intends to redesign regional transportation (routes between processing facilities, Post Offices, and delivery units) through the Regional Transportation Optimization (RTO) initiative to address the significant inefficiencies that exist in local and regional transportation networks and to ensure service reliability and cost efficiency. With respect to Leg 2, the Postal Service intends to systematically redesign and invest in our outmoded processing facilities to create a network of Regional Processing and Distribution Centers or Campuses (RPDCs) and Local Processing Centers (LPCs), which deploy standardized and logically sequenced operating plans and schedules for the movement of mail and packages, more sortation equipment, optimized transportation routes, and improved operating tactics to increase throughput, gain productivity, and increase asset utilization across the country.

The Postal Service is proposing to revise service standards for end-to-end market-dominant products to align with our operational initiatives; these standards would be more operationally precise and specific for customers, enable the Postal Service to maintain or upgrade service standards for a majority of volume, and enhance the ability to reliably achieve standards. In particular, the Postal Service plans to reimagine how service standards are established by breaking that service into segments so that customers have clear, understandable, and logical information about the service provided to them from a 5-digit to 5-digit ZIP Code perspective.

For First-Class Mail, the existing day ranges would be preserved, meaning all mail would continue to be delivered within the existing day range of 1-5 days (as well as the current range of 0-1 days for USPS Connect Local). For some end-to-end products within the contiguous 48 states (Periodicals, USPS Marketing Mail, and Package Services), the maximums for those day ranges would be shortened. (Unless specified otherwise, references in this document to the "contiguous states" or the "contiguous 48 states" include the District of Columbia.) No destination entry product standards would be changed, except to reflect the new RPDC/LPC network. Overall, most mail and packages in the contiguous 48 states would either receive the same service standard or an accelerated standard so that they are delivered faster than today, while some mail and packages under the new standards would have a service expectation that is longer than the current expectation but still within the current day-ranges.

Specifically, current First-Class Mail standards are predicated solely on plant-to-plant (3-digit ZIP Code to 3-digit ZIP Code) driving distances. The proposed rule would transition to 5-digit to 5-digit ZIP Code service standards that maintain the existing delivery day ranges while, for inter-RPDC volume, accurately and logically reflecting the three operational legs applicable to the movement of mail and packages: collection to origin processing facility (Leg 1), origin processing facility to destination processing facility (Leg 2), and destination processing facility to delivery (Leg 3). Distinct rules would apply to intra-RPDC volume (that is, First-Class Mail volume that originates and destinates in the same RDPC region), as well as certain intra-LPC volume.

Because the current standards are predicated on plant-to-plant driving distances, they do not consider the regional and local transportation operations necessary to transport mail and packages from where they are collected to the processing network: that is, within a particular 3-digit ZIP Code, a mailpiece that originates at a Post Office that is 300 miles from the processing facility in which the mailpiece is dispatched to the network has the same standard as a mailpiece that originates 20 miles from that processing facility (if they are going to the same destination 3-digit ZIP Code). To meet the constraints imposed by this current approach to service standards, the Postal Service must structure our transportation network to ensure that all originating mail gets to the processing network on the day it is collected from customers, no matter how far away from the processing network it is entered. This leads to significant inefficiencies in our regional transportation practices, because the Postal Service must conduct separate trips to drop-off destinating volume from the processing network to collection/delivery facilities in the morning (AM drop-off) and pick-up originating volume from the collection/delivery facilities to the processing network in the afternoon (PM collections), or alternatively pay Highway Contract Route (HCR) contractors to layover for multiple hours between the AM and PM legs of their routes.

While this practice of separating drop-off and pick-up activities may have made sense in a different era where the volume of single-piece letter mail was much greater, it engenders costs and inefficiencies impossible to justify in today's environment. Overall, the current practice results in inefficient transportation – characterized by excessive trips, poor utilization of truck capacity, and excess carbon emissions. In addition, the current practice reduces the efficiency and reliability of our Leg 2 operations (processing and network transportation), because the need to wait for the volume from outlying collection/delivery facilities to arrive at the processing plant on the PM transportation creates a volume arrival profile which reduces efficiencies, requires the scheduled dispatch to the network to be later, and increases the likelihood either for the scheduled dispatch to leave late in order to wait for all of the mail and packages to arrive at the plant and be processed, or for mail and packages to not make the scheduled dispatch at all because it does not make it to the plant on time to be processed on that day given the compressed processing window. This impacts not only the efficiency and velocity of originating operations, but can also have substantial negative downstream effects that reduce our service performance for all volume.

With respect to Leg 1, the Postal Service proposes the nationwide implementation of RTO, for mail originating in the contiguous states, to correct for these inefficiencies. Pursuant to RTO, the Postal Service will have the ability to structure transportation routes that go to facilities that are farther from the processing network so that trucks would pick up originating volume on the same routes that are also used to drop off destinating volume. The RTO initiative rationalizes the regional transportation network by eliminating routes and increasing truck utilization and thereby reduces transportation costs and the amount of carbon emissions. It also improves the efficiency and velocity of the processing network by producing volume arrival profiles that are spread more evenly throughout the day, enabling a more effective use of network resources and allowing the Postal Service to dispatch volume that is entered closer to processing plants (which is a majority of volume) earlier than is the case today. The Postal Service will designate 5-digit ZIP Codes for RTO when a retail/collection facility within that 5-digit ZIP Code is more than 50 miles from the RPDC campus. Exceptions to this 50-mile rule may be implemented under certain circumstances based on operational or business considerations.

The proposed standards will more logically and accurately reflect our operations within Leg 1 and enable the implementation of the RTO initiative, thereby giving the Postal Service the ability to optimize our regional and local transportation. Specifically, and as part of the proposed shift from the 3-digit to 3-digit ZIP Code standards to a more refined service calculation based on 5-digit ZIP Codes, the service standards will explicitly accommodate the fact that mail and packages entered the prior day would under RTO be picked up on the next day's transportation route for certain ZIP Codes. Mailpieces entered in ZIP Codes subject to RTO would therefore have one day assigned for Leg 1 in the service standards; zero days will apply in Leg 1 to pieces originating in other 5-digit ZIP Codes not subject to RTO. Implementing this change is the only way to correct for the significant deficiencies of the current network, while also ensuring that the standards set forth achievable, reliable, and understandable service expectations for customers.

With respect to Leg 2, the proposed standards reflect the increased efficiency, velocity, and reach of our processing and network transportation due to the operational benefits of the RPDC/LPC redesign and RTO. As noted above, the network of RPDCs and LPCs will deploy standardized and logically sequenced operating plans and schedules, more sortation equipment, optimized transportation routes, and improved operating tactics to increase throughput, gain productivity, and increase asset utilization across the country. In addition, RTO enables more efficient and accelerated originating processing operations, therefore allowing volumes to enter the network earlier. As a result of these benefits, the Postal Service is proposing to expand by four hours each of the existing service standard bands within Leg 2 for First-Class Mail so that such mail can travel farther to plants that are a greater distance from the originating plant within the Leg 2 bands.

Finally, while the Postal Service is recognizing Leg 3 in our First-Class Mail standards, no additional days are being added for this leg, which is the same as the current standards.

These proposed adjustments to the service standards would lead to a net positive impact for First-Class Mail from a service standard perspective, and generally faster service for end-to-end USPS Marketing Mail, Periodicals, and Package Services. The proposed service standards reflect the fact that the operational changes will enable volume to be accelerated through Leg 2, due to the benefits of the new network design and RTO; as a result, the Leg 2 bands for First-Class Mail will be expanded by four hours compared to the current standards. All volume would benefit from greater service reliability. Some mail and packages (constituting a minority of volume) in the contiguous states would experience a service standard that is longer than the current service standard (although still within the current day ranges), primarily because the Postal Service would assign one day within Leg 1 for all volume originating in a 5-digit ZIP Code that is subject to the RTO, as described below. In addition, as a result of the overall changes, a small volume of mail and packages to and/or from locations outside the contiguous states would experience a service standard that is longer than the current service standards, while other volume outside the contiguous states would experience a service standard that is shorter than the current service standards. The relative upgrades and downgrades demonstrate the Postal Service's efforts to maintain high quality service and mitigate any customer impacts to the extent possible, while also implementing operational changes necessary to achieve the critical – and significant – cost savings that are necessary for financial sustainability.

The proposed service standards are a critical aspect of the Plan's overall goals to create a financially sustainable and reliable Postal Service capable of achieving our universal service mission for all customers for years to come. In this regard, and considering the Postal Service's statutory obligations, the proposed changes would enable the Postal Service to achieve a better balance of cost-effectiveness and reliability, by enabling the Postal Service to undertake critically necessary operational initiatives and more realistically aligning the service standards with our operational capabilities. The proposed rule would result in much more precise and efficient network operations that better match current and projected mail mix and volumes, and the Postal Service anticipates that the changes will result in significant cost savings, in addition to enhancing service reliability and predictability. This keeps costs at reasonable levels and helps to ensure affordable rates. Overall, the operational changes and associated service standards will revitalize and rationalize our network in a way that enables us to be a modern and high-performing organization.

Pursuant to 39 USC 3661(b), on October 4, 2024, the Postal Service requested an advisory opinion from the Postal Regulatory Commission relating to these proposed revisions to 39 CFR part 121; the Commission is considering the request in Docket No. N2024-1. Further explanation and justification of the operational initiatives and the proposed service standards, and how they are consistent with 39 USC 3691 and other provisions of law, can be found in the materials that the Postal Service has filed in that docket.

Finally, while the proposed changes must also be pursued with a sense of urgency, given both our financial condition and the fundamental fact that we cannot be an efficient, high-performing organization until we fix the inefficiencies of our current network, it is important to note that the Postal Service would not implement the proposed service standard changes any sooner than 90 days after the filing of the advisory opinion request noted above. As such, these proposed changes would not be implemented until the next calendar year and would therefore not impact our preparedness for peak season 2024 (and also did not impact our efforts to deliver Election Mail in a timely fashion for the 2024 General Election).

II. Proposed Revisions to Service Standards

The Postal Service's market-dominant service standards are contained in 39 CFR part 121. The specific proposed revisions to 39 CFR part 121 appear at the end of this document. The following is a summary of the proposed revisions.

A. First-Class Mail

Under the proposed rule, the process for collections would not change, nor would access to Postal Service retail services. Instead, RTO would eliminate the interdependency between the time mail is collected from our customers and network transportation schedules and plant processing schedules; eliminating this interdependency between local retail and collection operations, and our network logistics and processing operations, is critically important to enabling us to create a precise, efficient, and cost-effective network, as discussed in more detail above. ZIP Codes would be designated for RTO when a retail/collection facility within that 5-digit ZIP Code is more than 50 miles from the RPDC (though exceptions may apply). In situations where the RPDC is a campus, the 50-mile rule will be based on the location of the specific facility that performs cancellation operations. The proposed rule generally would add no day for Leg 1 for ZIP Codes within 50 miles from the RPDC campus and would add one day to the service standard for ZIP Codes that are more than 50 miles from the originating RPDC. This would allow for more efficient and flexible transportation schedules and improve the arrival profile for mail processing operations, enabling the Postal Service to more timely dispatch the volume that is collected closer to the RPDC to the Leg 2 transportation network.

This logic would generally apply to all end-to-end volume across market-dominant products. Because Leg 1 is the portion of operations from collection to the originating plant, this rule would not apply to any products entered at an RPDC, Presort First-Class Mail, or any destination-entered volume. For operational efficiency, the Postal Service is considering how to adjust when and where Presort First-Class Mail volume may be entered to ensure that it is not subject to RTO. This may result in specification of locations where Presort First-Class Mail can be entered, or changing the critical entry time (CET) for Presort First-Class Mail to ensure there is sufficient time for volume to enter the network. The CET is the latest time on a particular day that a mail piece can be entered into the postal network and still have its service standard calculated based on that day (this day is termed “day-zero”); all of the service standards are contingent upon proper acceptance before the applicable CET.

RTO would provide flexibility in regional transportation scheduling, as the standards would accommodate the fact that mail and packages could under RTO be picked up the next day from the Post Office on the same trip that also dropped off mail at that Post Office for delivery that day. Explicitly accounting for this operational practice in the service standards enables the Postal Service to achieve the benefits of RTO, while also providing customers with more precise and reliable service expectations. Additionally, by no longer requiring all mail to wait for the volumes collected from the furthest away Post Offices, the Postal Service would be able to accelerate the mail that is within the 50-mile radius of an RPDC through mail processing, allowing for it to be dispatched to the network earlier, thus enabling the expansion of the Leg 2 service standard bands. As such, the addition of a day for Leg 1 would not necessarily equate to the addition of a day for the service standard overall for a given mailpiece. Rather, the service standard for a particular mailpiece would depend on the specific origin and destination and the cumulative number of days that are applicable across the operational segments (with no First-Class Mail having a service standard that exceeds five days).

Under the proposed rule for First-Class Mail, there are several fundamental changes to the calculation of service standards at Leg 2 to align with the end-state RPDC network. First, the measured transit path would be updated. The current network path used for measurement is Origin Processing and Distribution Center or Facility (OPDC/F) to Area Distribution Center (ADC) to Sectional Center Facility (SCF). The proposed rule would instead measure the distance between the Originating RPDC and the Destination RPDC and then the distance between the Destination RPDC to the Destination LPC.

Second, because of the improved arrival profiles facilitated by RTO and the improved efficiencies in the RPDC network, under the proposed rule, each of the existing service standard bands would expand by four hours for First-Class Mail. For example, under the current standards, First-Class Mail traveling three hours or less receives a 2-day standard. Under the proposed changes, First-Class Mail traveling up to seven hours (i.e., the current three hours, plus four more hours) would receive a 2-day standard. The bands applicable to the assignment of 3-day and 4-day standards within Leg 2 will also expand by four hours each.

Finally, even for pairs of originating and destinating 5-digit ZIP Codes where the application of the Leg 1 and Leg 2 rules noted above would otherwise result in a 6-day standard, the standard would nonetheless be capped at five days for such pairs.

This segment-by-segment approach applies to inter-RDPC volume (i.e., volume that is moving across the network). Specific rules will apply to mail and packages originating and destinating within the same RPDC region (intra-RDPC volume). Specifically, the proposed service standards would expand the geographic scope of such “turnaround” volume, which is volume originating and destinating within a facility’s service area. Currently, certain intra-SCF volume receives a 2-day standard. Under the proposed rule, certain intra-LPC and all intra-RPDC First-Class Mail volume would be subject to a new turnaround rule, which would provide for a 2- or 3-day standard, depending on the location of the originating mail volume. Specifically, processing facilities that cancel Single-Piece First-Class Mail on automated equipment would have a 2-day standard for turnaround Single-Piece First-Class Mail originating from 5-digit ZIP Codes within 50 miles of the cancellation location. By contrast, if certain originating volume is from a 5-digit ZIP Code beyond 50 miles of the cancellation location, the turnaround standard for Single-Piece First-Class Mail would be three days. The decision on which LPCs would maintain cancellation operations for Single-Piece First-Class Mail, and thus process local turnaround mail without transporting it to an RPDC, would be based on operational factors, such as distance from the RPDC to the LPC, and the volume of turnaround mail processed at the LPC. In situations in which the LPC retains cancellation operations, the 50-mile rule noted above will be based on the distance from the LPC. In other situations, the RPDC will have cancellation operations, meaning the 50-mile rule will be based on the distance from the RPDC.

Currently, a 1-day service standard is applied to intra-SCF domestic Presort First-Class Mail pieces properly accepted at the SCF before the day-zero CET. To account for the redesigned network, a 1-day service standard would instead apply to eligible intra-LPC Presort First-Class Mail pieces properly accepted at the LPC before the day-zero CET. On the other hand, for eligible Presort First-Class Mail within the contiguous 48 states that is not eligible for the intra-LPC 1-day standard, but that nevertheless originates and destinates within the same RPDC, a 2-day service standard would apply.

RTO would not apply to originating locations outside of the contiguous 48 states; also, the service standards for domestic First-Class Mail originating and/or destinating in such locations would not necessarily depend on the segment-by-segment network path. As a result, service standards for domestic First-Class Mail originating and/or destinating in such locations would generally not change; an exception, for example, would be application of RTO to domestic Single-Piece First-Class Mail that (1) originates in the contiguous 48 states, (2) is collected in and dispatched from a 5-digit ZIP Code that is over 50 miles in driving distance from the originating RPDC, and (3) destinates in the city of Anchorage, Alaska (5-digit ZIP Codes 99501 through 99539), the 968 3-digit ZIP Code area in Hawaii, or the 006, 007, or 009 3-digit ZIP Code areas in Puerto Rico. Nevertheless, notwithstanding application of RTO generally for domestic First-Class Mail that meets these conditions, a maximum 5-day service standard would be applied.

A same-day service standard will continue to apply to USPS Connect Local Mail pieces accepted at participating Destination Delivery Units (DDUs) before the applicable day-zero CET; for USPS Connect Local Mail, Sorting & Delivery Centers are also considered DDUs. A 1-day service standard will continue to apply to all other pieces accepted as USPS Connect Local Mail, including pieces accepted via carrier pick-up.

The proposed rule would also have certain effects on standards for international mail. As a result of the proposed application of 5-digit to 5-digit ZIP Code pairs, the service standard for outbound Single-Piece First-Class Mail International pieces properly accepted before the day-zero CET would be equivalent to the service standard for domestic First-Class Mail pieces originating from the same 5-digit ZIP Code area and destined to the 5-digit ZIP Code area in which the designated International Service Center is located. Similarly, the service standard for Inbound Letter Post pieces properly accepted before the day-zero CET would be equivalent to the service standard for domestic First-Class Mail pieces destined to the same 5-digit ZIP Code area and originating from the 5-digit ZIP Code area in which the applicable International Service Center is located. Because Inbound Parcel Post (at Universal Postal Union (UPU) rates) includes Inbound Surface Parcel Post (at UPU rates), and because that product is now competitively classified, the proposed rule would remove it from these market-dominant service standards.

B. Periodicals, USPS Marketing Mail, and Package Services

Service standards for end-to-end Periodicals and USPS Marketing Mail originating and destinating in the contiguous 48 states would generally flow from the Single-Piece First-Class Mail standards using the same measured travel path (disregarding standards for USPS Connect Local Mail and for intra-LPC "turnaround" service). For Periodicals, the general rule in relation to First-Class Mail would remain the same – i.e., a 3-6-day range would be applied to Periodicals, with the standard generally equaling the sum of the applicable First-Class Mail service standard (disregarding standards for USPS Connect Local Mail and for intra-LPC "turnaround" service) plus one day. For USPS Marketing Mail, the rule would add two days to the applicable First-Class Mail service standard (disregarding standards for USPS Connect Local Mail and for intra-LPC "turnaround" service). This means that the outer-bound for USPS Marketing Mail in the contiguous states would be seven days, rather than ten days under the current standards. For end-to-end Package Services within the contiguous 48 states, the rule would add two days to the First-Class Mail standards, after 5-9 hours of Leg 2 driving time is added to the applicable First-Class Mail service band; overall, this would reduce the outer-bound of the service standards for Package Services in the contiguous states to seven days, rather than the current eight days.

With respect to Destination Entry Periodicals, Destination Entry USPS Marketing Mail, and Destination Entry Package Services, the service standards generally would not change, except to reflect the new network. That is, to correspond with the operational network and infrastructure changes that the Postal Service is implementing, the LPCs would replace the ADCs and the SCFs in the service standards. Likewise, the RPDCs would replace the Network Distribution Centers (NDCs) in the service standards. These changes would allow some Destination Entry Periodicals to receive an accelerated service standard, in part because it will no longer matter in this respect whether Destination ADCs (DADCs) and Destination SCFs (DSCFs) are co-located, given that they are both being replaced by Destination LPCs (DLPCs).

Under the proposed rule, for Destination Entry Periodicals originating and/or destinating in locations outside of the contiguous 48 states, service standards would largely remain unchanged, aside from facility nomenclature updates reflecting the network redesign, with certain exceptions. A small volume of mail to and/or from locations outside the contiguous states would experience a service standard that is longer than the current service standards, while some other volume outside the contiguous states would experience a service standard that is shorter than the current service standards. Currently, for example, a 3-day service standard is applied to Periodicals pieces that qualify for a DSCF rate and are properly accepted before the day-zero CET at the designated DSCF, if they are entered at the DSCF in Puerto Rico and destined to the US Virgin Islands, or destined to the following 3-digit ZIP Code areas in Alaska (or designated portions thereof): 995 (5-digit ZIP Codes 99540 through 99599), 996, 997, 998, and 999; on the other hand, currently a 4-day service standard is applied to Periodicals pieces that qualify for a DADC rate and are properly accepted before the day-zero CET at the designated DADC, if they are entered at the DADC in Puerto Rico and destined to the US Virgin Islands, or if they are destined to the following 3-digit ZIP Code areas in Alaska (or designated portions thereof): 995 (5- ZIP Codes 99540 through 99599), 996, 997, 998, and 999. Since LPCs would replace ADCs, and since DLPC service standards would largely track those currently applied to DSCF volume, for such mail, the shorter of the two service standards (i.e., 3-day) would apply to Periodicals pieces that qualify for a DLPC rate and are properly accepted before the day-zero CET at the designated DLPC, if they are entered at the DLPC in Puerto Rico and destined to the US Virgin Islands, or destined to the following 3-digit ZIP Code areas in Alaska (or designated portions thereof): 995 (5-digit ZIP Codes 99540 through 99599), 996, 997, 998, and 999.

Furthermore, a 3-day service standard is currently applied to Periodicals pieces that qualify for a DSCF rate and are properly accepted before the day-zero CET at the designated DSCF, if they are entered at the DSCF in Hawaii and are destined to American Samoa; on the other hand, currently a 4-day standard applies to Periodicals pieces that qualify for a DADC rate, are properly accepted before the day-zero CET at the designated DADC, and are destined to American Samoa. For reasons of operational feasibility, under the proposed rule, a 4-day service standard would be applied to Periodicals pieces that qualify for a DLPC rate and are properly accepted before the day-zero CET at the designated DLPC, if they are destined to American Samoa.

Finally, as the service standards themselves have been simplified, the tables depicting day-ranges for non-contiguous states and territories at the end of Part 121 (Tables 2 and 4) likewise have been streamlined. Table 2 reflects the general standards for end-to-end day-ranges for the non-contiguous states and territories, including exceptions for some intermodal transportation. Table 4 reflects the general standards for destination entry day-ranges for the non-contiguous states and territories, including consolidated day-ranges resulting from LPCs and RPDCs superseding SCFs, ADCs, and NDCs.

USPS PROPOSED RULE – Service Standards for Market-Dominant Mail Products

III. Request for Comments

The Postal Service requests comments on all aspects of the proposal. In particular, the Postal Service solicits comments on the effects that the proposal could have on senders and recipients of the affected market-dominant mail classes. Mail users are encouraged to comment on the nature and extent of costs or savings they might experience as a result of the changes described in this document, as well as any additional possible costs or benefits they foresee, such as increased reliability and predictability. The provision of empirical data supporting any cost-benefit analysis also would be useful. Further, the Postal Service requests mail users' views regarding the application of the policies and requirements of Title 39 of the US Code, particularly sections 101, 403, 404, and 3691, to the proposal. The Postal Service intends to consider comments received in response to this document as it determines whether to amend the service standard regulations and the manner in which any such amendments would be implemented. The Postal Service has also requested an advisory opinion from the Postal Regulatory Commission pursuant to 39 USC 3661(b).

Although exempt from the document 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 comments on the proposed revisions to 39 CFR part 121 and on the proposal generally. A more extensive discussion of the proposal and its associated network and service implications is available in the materials filed by the Postal Service with the Postal Regulatory Commission in Docket No. N2024-1, at http://www.prc.gov. If the Postal Service determines to implement the proposal, it will publish a final rule in the *Federal Register*. In any event, these service standard changes would not be implemented prior to 2025.

List of Subjects in 39 CFR Part 121

Administrative practice and procedure, Postal Service.

Accordingly, for the reasons stated in the preamble, the Postal Service proposes to amend 39 CFR part 121 as follows:

PART 121 – SERVICE STANDARDS FOR MARKET-DOMINANT MAIL PRODUCTS

1. The authority citation for part 121 continues to read as follows:

Authority: 39 USC 101, 401, 403, 404, 1001, 3691.

2. Add Sec. 121.0 to read as follows:

Sec. 121.0 Market-dominant product service standards.

Service standards in this part are contingent upon proper acceptance before the applicable day-zero Critical Entry Time (CET). Applying the service standards appearing in this part, effective service standards for combinations of 5-digit originating ZIP Codes and 5-digit destinating ZIP Codes can be found in a lookup table at www.usps.com.

3. Revise Sec. 121.1 to read as follows:

Sec. 121.1 First-Class Mail.

(a) Service Standards Based on Delivery Legs Within the Contiguous 48 States Except as specified in paragraph (b), service standards for domestic First-Class Mail, whose origin and destination are within the contiguous 48 states, are calculated as the sum of service expectation days between 5-digit ZIP Code pairs, accruing across three successive legs as follows:

(1) Leg 1. Unless an exception applies due to operational or business considerations, for this leg (i) one service expectation day is added to First-Class Mail (excluding eligible Presort First-Class Mail) originating in a 5-digit ZIP Code when a facility from which mail is dispatched for the originating 5-digit ZIP Code is over 50 miles in driving distance from the originating Regional Processing and Distribution Center or Campus (RPDC), and (ii) zero service expectation days are added for all other First-Class Mail, including Single-Piece First-Class Mail when no facility from which mail is dispatched for the originating 5-digit ZIP Code is over 50 miles in driving distance from the originating RPDC, and including eligible Presort First-Class Mail.

(2) Leg 2.

(i) Two service expectation days are added to First-Class Mail if the combined drive time between the originating RPDC, the destinating RPDC, and the destinating Local Processing Center (LPC) is 7 hours or less;

(ii) Three service expectation days are added to First-Class Mail if the combined drive time between the originating RPDC, the destinating RPDC, and the destinating LPC is more than 7 hours and not more than 24 hours;

(iii) Four service expectation days are added to First-Class Mail pieces if the combined drive time between the originating RPDC, the destinating RPDC, and the destinating LPC is more than 24 hours and not more than 45 hours; and

(iv) Five service expectation days are added to all remaining First-Class Mail pieces, except that four days are added to any such First-Class Mail for which a day is added under Leg 1.

(3) Leg 3. No service expectation days are added in Leg 3.

(b) Exceptions to Service Standards Based on Delivery Legs Within the Contiguous 48 States.

(1) A same-day service standard applies to USPS Connect Local Mail pieces accepted at participating Destination Delivery Units, and a one-day service standard applies to all other pieces accepted as USPS Connect Local Mail.

(2) A one-day service standard applies to eligible intra-LPC Presort First-Class Mail pieces accepted at the LPC.

(3) For First-Class Mail that is not USPS Connect Local Mail, with respect to "turnaround" service for pieces originating and destinating within the same RPDC service area or within the same LPC service area for certain qualifying LPCs (designated by the Postal Service based on operational considerations such as an LPC's distance from its servicing RPDC and volume processed at the LPC):

USPS PROPOSED RULE – Service Standards for Market-Dominant Mail Products

(i) A two-day service standard applies to:

(A) Eligible Presort First-Class Mail that is not eligible for a one day service standard under paragraph (2) and that originates and destinates in the same RPDC service area; and

(B) Single-Piece First-Class Mail originating in a 5-digit ZIP Code when no facility from which mail is dispatched for the originating 5-digit ZIP Code is over 50 miles in driving distance of the originating RPDC or qualifying LPC and destinates within the same RPDC's or qualifying LPC's service area.

(ii) A three-day service standard applies to Single-Piece First-Class Mail originating in a 5-digit ZIP Code when a facility from which mail is dispatched for the originating 5-digit ZIP Code is over 50 miles in driving distance of the originating RPDC or qualifying LPC and destinates within the same RPDC's or qualifying LPC's service area.

(c) Service Standards for Domestic First-Class Mail Originating and/or Destinating in Locations Outside of the Contiguous 48 States.

(1) A same-day service standard applies to USPS Connect Local Mail pieces accepted at participating Destination Delivery Units.

(2) Except as provided in paragraph (3), a one-day service standard applies to:

(i) Eligible intra-LPC Presort First-Class Mail pieces accepted at the LPC, whose origin and destination are outside the contiguous 48 states; and

(ii) All other pieces accepted as USPS Connect Local Mail.

(3) A two-day service standard applies to:

(i) Eligible Presort First-Class Mail that originates in Puerto Rico and destinates in the U.S. Virgin Islands, or vice versa;

(ii) Eligible intra-LPC Presort First-Class Mail with an origin or destination that is in American Samoa or one of the following 3-digit ZIP Code areas in Alaska (or designated portions thereof): 995 (5-digit ZIP Codes 99540 through 99599), 996, 997, 998, and 999; and

(iii) Other intra-LPC First-Class Mail pieces whose origin and destination are outside the contiguous 48 states, including any other intra-LPC Presort pieces that are not eligible for a one-day service standard.

(4) A four-day service standard applies to First-Class Mail pieces if the same-day, one-day, or two-day service standards do not apply and:

(i) The origin is in the 006, 007, or 009 3-digit ZIP Code areas in Puerto Rico, and the destination is in the contiguous 48 states;

(ii) The origin is in Hawaii, and the destination is in Guam, or vice versa;

(iii) The origin is in Hawaii, and the destination is in American Samoa, or vice versa;

(iv) Both the origin and destination are within Alaska; or

(v) Such mail originates in a 5-digit ZIP Code where no facility from which mail is dispatched for that 5-digit ZIP Code is over 50 miles of driving distance from its originating RPDC, and the origin is in the contiguous 48 states and the destination is in the city of Anchorage, Alaska (5-digit ZIP Codes 99501 through 99539), the 968 3-digit ZIP Code area in Hawaii, or the 006, 007, or 009 3-digit ZIP Code areas in Puerto Rico.

(5) A five-day service standard applies to all remaining domestic First-Class Mail pieces originating and/or destinating outside the contiguous 48 states.

(d) Service Standards for International First-Class Mail.

(1) The service standard for Outbound Single-Piece First-Class Mail International pieces is equivalent to the service standard for domestic Single-Piece First-Class Mail pieces originating from the same 5-digit ZIP Code area and destined to the 5-digit ZIP Code area in which the designated International Service Center, or its functional equivalent, is located.

(2) The service standard for Inbound Letter Post pieces from the first USPS scan is equivalent to the service standard for domestic Single-Piece First-Class Mail pieces destined to the same 5-digit ZIP Code area and originating from the 5-digit ZIP Code area in which the applicable International Service Center, or its functional equivalent, is located.

4. Revise Sec. 121.2 to read as follows:

Sec. 121.2 Periodicals.

(a) End-to-End.

(1) Except as provided in paragraph (2), a 3- to 6-day service standard applies to end-to-end Periodicals pieces, with the standard generally equaling the sum of one day plus the applicable Single-Piece First-Class Mail (FCM) service standard (disregarding standards for USPS Connect Local FCM and for intra-Local Processing Center "turnaround" service).

(2) For certain end-to-end Periodicals pieces originating and/or destinating outside the contiguous 48 states, a 10- to 27-day service standard applies, with the standard generally equaling the sum of 3 to 6 days plus the number of additional days (from 7 to 21) for which certain intermodal (e.g., highway, boat, air-taxi) transportation is utilized.

(b) Destination Entry.

(1) Destination Delivery Unit (DDU) Entered Mail. A 1-day (overnight) service standard applies to Periodicals pieces that qualify for a DDU rate.

(2) Destination Local Processing Center (DLPC) Entered Mail.

(i) A 1-day (overnight) service standard applies to Periodicals pieces that qualify for a DLPC (or analogous legacy) rate, except for mail entered in Puerto Rico and destined to the US Virgin Islands, mail destined to American Samoa, and mail destined to the following 3-digit ZIP Code areas in Alaska (or designated portions thereof): 995 (5-digit ZIP Codes 99540 through 99599), 996, 997, 998, and 999;

(ii) A 3-day service standard applies to Periodicals pieces that qualify for a DLPC (or analogous legacy) rate, if they are entered in Puerto Rico and destined to the US Virgin Islands, or if they are destined to the following 3-digit ZIP Code areas in Alaska (or designated portions thereof): 995 (5-digit ZIP Codes 99540 through 99599), 996, 997, 998, and 999.

(iii) A 4-day service standard applies to Periodicals pieces that qualify for a DLPC (or analogous legacy) rate if they are destined to American Samoa.

(3) Destination Regional Processing and Distribution Center or Campus (DRPDC) Entered Mail.

(i) A 2-day service standard applies to Periodicals pieces that qualify for a DRPDC (or analogous legacy) rate, are entered in the contiguous 48 states, and are destined within the contiguous 48 states;

(ii) An 8- to 10-day service standard applies to Periodicals pieces that qualify for a DRPDC (or analogous legacy) rate, are entered in the contiguous 48 states, and are destined outside the contiguous 48 states, with the specific standard being based on the number of days required for transportation outside the contiguous 48 states.

5. Revise Sec. 121.3 to read as follows:

Sec. 121.3 USPS Marketing Mail.

(a) End-to-End.

(1) Except as provided in paragraph (2), a 4- to 7-day service standard applies to end-to-end USPS Marketing Mail pieces, with the standard generally equaling the sum of 2 days plus the applicable Single-Piece First-Class Mail (FCM) service standard (disregarding standards for USPS Connect Local FCM and for intra-Local Processing Center (LPC) “turnaround” service).

(2) For certain end-to-end USPS Marketing Mail pieces originating and/or destinating outside the contiguous 48 states, an 11- to 28-day service standard applies, with the standard generally equaling the sum of 4 to 7 days plus the number of additional days (from 7 to 21) for which certain intermodal (e.g., highway, boat, air-taxi) transportation is utilized.

(b) Destination Entry.

(1) USPS Marketing Mail pieces that qualify for a Destination Delivery Unit (DDU) rate have a 2-day service standard.

(2) USPS Marketing Mail pieces that qualify for a Destination Local Processing Center (DLPC) (or analogous legacy) rate have a 3-day service standard when accepted on Sunday through Thursday and a 4-day service standard when accepted on Friday or Saturday, except for mail dropped at the LPC in the territory of Puerto Rico and destined to the territory of the US Virgin Islands, or mail destined to American Samoa.

(3) USPS Marketing Mail pieces that qualify for a DLPC (or analogous legacy) rate and that are entered in the territory of Puerto Rico and destined to the territory of the US Virgin Islands, or that are destined to American Samoa, have a 4-day service standard when accepted on Sunday through Thursday and a 5-day service standard when accepted on Friday or Saturday.

(4) USPS Marketing Mail pieces that qualify for a Destination Regional Processing and Distribution Center or Campus (DRPDC) (or analogous legacy) rate have a 5-day service standard, if both the origin and the destination are in the contiguous 48 states.

(5) USPS Marketing Mail pieces that qualify for a DRPDC (or analogous legacy) rate, and that are entered in the contiguous 48 states for delivery to addresses in the states of Alaska or Hawaii or the territories of Guam, American Samoa, Puerto Rico, or the US Virgin Islands, have a service standard of 12-14 days, depending on the 3-digit origin-destination ZIP Code pair. For each such pair, the applicable day within the range is based on the number of days required for transportation outside the contiguous 48 states.

6. Revise Sec. 121.4 to read as follows:

Sec. 121.4 Package Services.

(a) End-to-End.

(1) Except as provided in paragraph (2), a 4- to 7-day service standard applies to end-to-end Package Services pieces, with the standard generally equaling the sum of 2 days plus the applicable Single-Piece First-Class Mail (FCM) service standard (disregarding standards for USPS Connect Local FCM and for intra-Local Processing Center “turnaround” service) after adding 5-9 hours to the applicable driving time bands of Leg 2 for FCM, as applied to specific 5-digit origin-destination pairs in the table cited in section 121.0.

(2) For certain end-to-end Package Services pieces originating and/or destinating outside the contiguous 48 states, an 11- to 29-day service standard applies, with the standard generally equaling the sum of 4 to 7 days plus the number of additional days (from 7 to 22) for which certain intermodal (e.g., highway, boat, air-taxi) transportation is utilized.

(b) Destination Entry.

(1) Package Services mail that qualifies for a Destination Delivery Unit (DDU) rate has a 1-day (overnight) service standard.

(2) Package Services mail that qualifies for a Destination Local Processing Center (DLPC) (or analogous legacy) rate has a 2-day service standard, except for mail that is destined to either American Samoa or the US Virgin Islands.

USPS PROPOSED RULE – Service Standards for Market-Dominant Mail Products

(3) Package Services mail that qualifies for a DLPC rate, and that is destined to either American Samoa or the U.S. Virgin Islands, has a 3-day service standard.

(4) Package Services mail that qualifies for a Destination Regional Processing and Distribution Center or Campus (DRPDC) (or analogous legacy) rate, and that originates and destinates in the contiguous 48 states, has a 3-day service standard.

(5) Package Services mail that qualifies for a DRPDC (or analogous legacy) rate, and that is entered in the contiguous 48 states for delivery to addresses in the states of Alaska or Hawaii, or the territories of Guam, American Samoa, Puerto Rico, or the US Virgin Islands, has a service standard of either 11 or 12 days, depending on the 3-digit ZIP Code origin-destination pair. For each such pair, the applicable day within the range is based on the number of days required for transportation outside the contiguous 48 states.

7. Revise appendix A to part 121 to read as follows:

Appendix A to Part 121 – Tables Depicting Service Standard Day Ranges

The following tables reflect the service standard day ranges resulting from the application of the business rules applicable to the market-dominant mail products referenced in Sec. Sec. 121.0 through 121.4 (for purposes of Part 121, references to the contiguous states or the contiguous 48 states also include the District of Columbia):

Table 1. End-to-end service standard day ranges for mail originating and destinating within the contiguous 48 states and the District of Columbia.

Mail class	End-to-end range (days)
First-Class Mail	0-5
Periodicals	3-6
USPS Marketing Mail	4-7
Package Services	4-7

Table 2. End-to-end service standard day ranges for mail originating and/or destinating in non-contiguous states and territories.

Mail class	End-to-end range (days)	
	Intra-state/territory	Inter-state/territory
First-Class Mail	0-5	2-5
Periodicals	3-6	3-27
USPS Marketing Mail	4-7	4-28
Package Services	* 4-7	4-29

** Excluding bypass mail.*

Table 3. Destination-entry service standard day ranges for mail to the contiguous 48 states and the District of Columbia.

Mail class	Contiguous states		
	Destination entry (at appropriate facility)		
	* DDU	* DLPC	* DRPDC
Periodicals	1	1	2
USPS Marketing Mail	2	3-4	5
Package Services	1	2	3

** DDU = Destination Delivery Unit; DLPC = Destination Local Processing Center; DRPDC = Destination Regional Processing and Distribution Center or Campus.*

Table 4. Destination entry service standard day ranges for mail to non-contiguous states and territories.

Mail class	Destination entry (at appropriate facility)						
	* DDU range (days)	* DLPC range (days)			* DRPDC range (days)		
		Alaska	** Hawaii, Guam, NMI, & AS	** PR & USVI	Alaska	Hawaii, Guam, NMI, & AS	PR & USVI
Periodicals	1	1-3	1-4	1-3	10-11	10	8-10
USPS Marketing Mail	2	3-4	3-5	3-5	14	13	12
Package Services	1	2	2-3	2-3	12	11	11

** DDU = Destination Delivery Unit; DLPC = Destination Local Processing Center; DRPDC = Destination Regional Processing and Distribution Center or Campus.*

*** AS = American Samoa; NMI = Northern Mariana Islands; PR = Puerto Rico; USVI = United States Virgin Islands.*

Christopher Doyle, *Attorney, Ethics & Legal Compliance*.