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## July Price Increase Moving Above 7%

Ratepayers who enjoyed not having a semi-annual price increase in January are about to face the reality of a significant price hike in July. In addition to the rate authority available to the Postal Service based on growth of the CPI (a figure issued monthly by the Bureau of Labor Statistics), the additional rate authorities approved by the Postal Regulatory Commission in November 2020 also will apply.

### A quick recap

The CPI-based ratesetting regime has been in place since 2006, and was meant to provide the Postal Service with sufficient revenue if it exercised appropriate cost management.

However, the same law also required the agency to make annual payments of between \$5.4 and \$5.8 billion over the following decade to prefund future retiree costs. Understandably, the extra burden quickly overwhelmed any chance for the Postal Service to operate on CPI-based income.

In 2016, examining whether the 2006 ratesetting regime was working, the PRC easily concluded it was not, primarily because it failed to enable the USPS to be financially stable. In turn, it established three new forms of rate authority – now commonly called the "adders" – to offset lost income from declining volume ("density"), to help pay the prefunding expense ("retirement"), and to increase the revenue from mail classes not covering their costs ("non-compensatory").

The USPS calculates the density and retirement adders after the end of each fiscal year, and those are reviewed and confirmed by the PRC. The timeline means the adders – which can be used only once a year – are not available in time for a January increase, but they will be for July. The retirement adder was authorized for only five years, so it will not be available after it's used in July 2025. (The non-compensatory adder is a fixed 2% and only applies to Periodicals.)

### Calculating the CPI

The CPI-based rate authority available to the USPS is calculated by one of three formulae, one for a price increase occurring one year after a previous change, and another each for an increase at a greater or lesser interval. The six rate changes since January 2021 have been at a less-than-annual interval, but July 2025 will be a 12-month interval.

The annualized figure is based on a rolling twelve-month period (twelve monthly CPI figures) preceding the date of calculation. Though the Postal Service's annualized CPI-based rate authority soared from 1.092% in February 2021 to 8.058% in November 2022, it's declined steadily ever since; as of the December 2024 CPI, annualized CPI-based rate authority stood at 2.95% and has fallen an average 0.07 percentage points monthly since February 2024. That pace has slowed recently so, looking two months ahead to February, annualized CPI-based price authority could be about 2.88%.

Calculated another way, on a less than annualized basis (after ten months since the last price change), CPI-based authority was 2.425%, and month-over-month growth since February 2024 has been about 0.24%, meaning the CPI in February would be about 2.905% – roughly the same result as using the annualized calculation.

### Other factors

The Postal Service does not have to use all of its rate authority in a price change filing, with the unused amount "banked" for future use. However, given Postmaster General Louis DeJoy's aggressive search for every penny of revenue, there was no "bank" left over from the April 2024 filing to add to whatever may be otherwise available in April 2025.

Though subject to confirmation by the PRC, the applicable density and retirement adders are 2.165% and 2.305%, respectively; as noted, the non-compensatory adder is 2%.

The sum of the parts points to a price increase of about 7.37% for the market-dominant classes – except for Periodicals that will face an increase of about 9.37%.

### The asterisk

Any rate increases for market-dominant mail are applied at the class level, i.e., the Postal Service's rate authority is to increase revenue from a class as a whole. Cost coverage for component categories (e.g., carrier route flats) and discounts to alter mailer behavior are among the many additional influences shaping the prices within a class, but the total revenue derived must still stay within the Postal Service's rate authority for the class. Unfortunately, knowing how rates are developed doesn't make paying them any easier.

## MTAC Notes

The Mailers Technical Advisory Committee held its first meeting of the year on January 14 and 15, featuring the usual day-and-a-half of presentations by postal speakers.

Given that MTAC is involved in *technical* issues, the presentations about IT-related topics dove deep into the weeds of several postal systems, including those for postage payment and the portals for customer access. However, among the presentations were some nuggets of particularly noteworthy interest to a broader postal audience.

One was a status update summarizing facility activation:

### Summary of activities

| Activation type          | Region impacted       | # Facilities         | Additional Impact  |
|--------------------------|-----------------------|----------------------|--|
| RPDC and LPC activations | Richmond VA           | 1 RPDC / LPC, 1 LPC  | First RPDC activation in the network                                 |
|                          | Boise ID              | 1 RPDC / LPC, 1 LPC  | Insured this and moved multiple 5-digit zip codes                    |
|                          | Chicago, IL           | 1 RPDC, 8 LPCs       | Executed significant deferred maintenance work to activate RPDC      |
|                          | Atlanta GA            | 1 RPDC, 4 LPCs       | Over 1000 employees relocated in a single day                        |
|                          | Portland OR           | 1 RPDC / LPC, 2 LPCs | First of its-kind machine installed (MailS)                          |
|                          | Houston TX            | 1 RPDC / LPC, 2 LPCs | Battled through multiple adverse weather events, including hurricane |
|                          | Charlotte NC          | 1 RPDC, 3 LPCs       | Took shell of building, transformed into an RPDC                     |
|                          | <b>Total</b>          | <b>28 facilities</b> | <b>~15% of nation's mail and parcel volume</b>                       |
| RTH activations          | Indianapolis IN       | 1                    | +1M packages processed on average per day                            |
|                          | Phoenix AZ            | 2                    | +350K packages processed on average per day                          |
|                          | Denver CO             | 1                    | +300K packages processed on average per day                          |
|                          | Dallas TX             | 1                    | +300K packages processed on average per day                          |
|                          | <b>Total</b>          | <b>5</b>             | <b>~1/3 of nation's Ground Advantage</b>                             |
| S&DC                     | Multiple (43 regions) | 83                   | Over 7.5K employees relocated  |
| ITO                      | Multiple (15 regions) | >2,000               | 2,400 Post Offices   |
| STC Insourcing           | Multiple              | 9                    | Emergency insourcing   |

### Mail and package moves expected in 2025

| Target move date  | Facilities affected                                    | Activity   | Status                                      |
|---|--|--|---|
| 1/4/25  | Charlotte LPC, Charlotte P&DC                          | Originating mail move from Charlotte P&DC to LPC                     | Complete                                    |
| 1/18/25   | Indianapolis RPDC, Indianapolis MPA 1                  | Destinating package move from MPA 1 to the RPDC                      | On Track                                    |
| 1/18/25   | North Houston Annex, North Houston RPDC                | Processing operations shift from North Houston Annex to RPDC         | On Track                                    |
| 1/25/25<br>(may be pulled earlier)                          | Bedford Park (S Suburban) LPC, Aurora (Fox Valley) LPC | Destinating package move from Bedford Park LPC to Aurora LPC         | On Track                                    |
| 2/8/25  | Charlotte LPC, Charlotte P&DC                          | Destinating mail move from Charlotte P&DC to LPC (SCF 282)           | On Track                                    |
| 2/22/25   | Charlotte LPC, Charlotte P&DC                          | Destinating mail move from Charlotte P&DC to LPC (remaining vol.)    | On Track                                    |
| Q2 / Q3 2025  | Jacksonville RPDC, Jacksonville PSA                    | Originating packages move from Jacksonville PSA to Jacksonville RPDC | On Track                                    |
| March 2025<br>(phased starting March, target complete Sept) | Atlanta LPC, Peachtree Annex                           | Destinating mail move from Peachtree Annex to Atlanta LPC            | On Track, detailed schedule being developed |
| Q3 2025   | Jacksonville RPDC, Jacksonville LPC                    | Originating mail move from Jacksonville LPC to RPDC                  | On Track                                    |

Another, provided by the Operations Integration and Performance Excellence group, explained their processes:

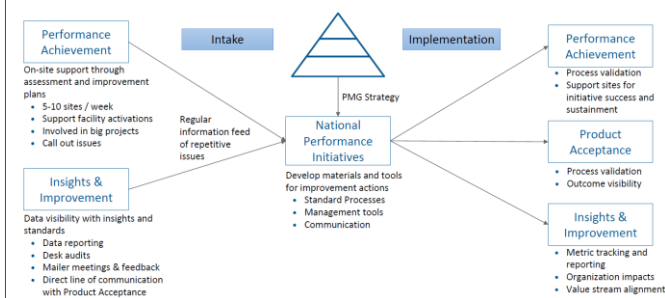
### Performance Excellence

#### Team Mission:

Improve enterprise performance through site-specific reporting, analysis, and action that address operational challenges and build a set of USPS operating standards and disciplines that will enable us to adapt to win in a competitive industry

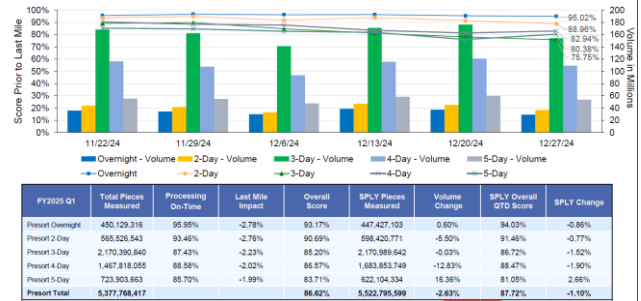


### Interaction Model for National Performance Initiatives

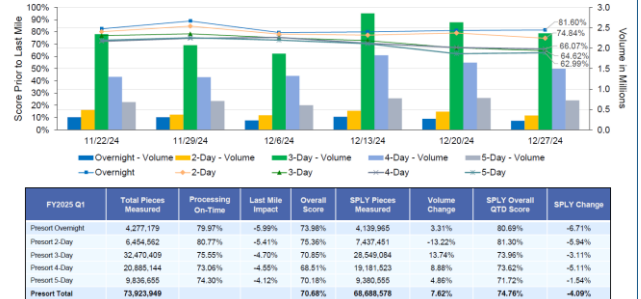


The presentation about service performance offered some interesting graphics:

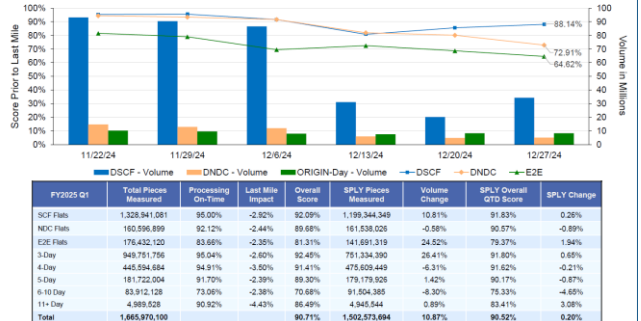
### First-Class Mail® (Letters) – Score Trend



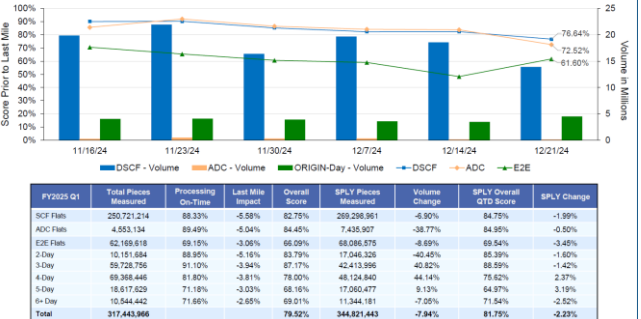
### First-Class Mail® (Flats) – Score Trend



### USPS Marketing Mail® (Flats) – Score Trend



### Periodicals – Score Trend



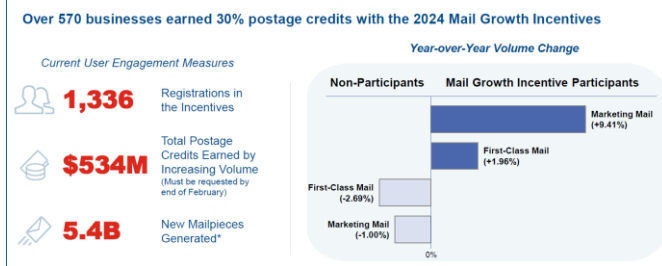
In each case, the USPS illustrated the “service variance,” a figure of dubious value that shows how much mail was delivered within one, two, or three days *after* the service target. Apparently, the USPS wants customers to focus on how well it performed – if they ignore the additional time.

The “last mile impact,” i.e., the time it takes for mail available for delivery to actually get delivered, was not supportive of good service performance. Over the past year, the impact for First-Class Mail letters averaged about 2.2 days but over 4.5 days for flats. The average for Marketing Mail letters and flats was about 1.4 days and about 3 days, respectively. For Periodicals, the last mile impact averaged about 5 days.

## Unforeseen consequences

The report about the results of the 2024 Mail Growth Incentive drew the most reaction. Clearly, by the numbers, the incentive was very successful.

### Mail Growth Incentives by the Numbers



However, as attendees later learned, the incentive payouts have an impact on future price increases.

A provision in the ratesetting rules allows the Postal Service additional pricing authority (“cap space”) to recoup the value of the credits earned under the incentive, meaning the \$534 million returned to participants will be added to the revenue that the USPS can generate from the July price change.

This additional authority is in addition to other elements of pricing authority (see the article on page one) and will apply to the class of mail related to the incentive payments, i.e., to First-Class Mail and Marketing Mail, in proportion to the

credits paid for each class. The *value* of the additional “cap space” would be expressed as a percentage of the total revenue that can be generated, e.g., an additional “X”%.

For example, *using hypothetical numbers*, if the total authority available to the USPS allows it to apply a 10% price increase to First-Class Mail and generate \$5 billion in revenue (*remember, this is an example only*), and it had distributed \$500 million in incentive credits under a 25% incentive program, the \$500 million would translate into an additional 1% in rate authority. (Each percentage point of the 10% price increase is worth \$500 million in this example.) The \$500 million *value* of the incentives paid, *not* the 25% *percentage* of the incentive, is what is added to otherwise available pricing authority.

That the USPS would seek reimbursement for what it had paid out was not well received by some in the audience, and caught many unaware. Others thought it unfair to program participants and other ratepayers.

In effect, however, the incentive program’s operation and consequences are not different from those of any sale price or incentive offered by a business: what is conceded in some sales is recouped by price adjustments elsewhere. A private business can spread the recovery of lost revenue across all product lines at its own discretion, of course, but the USPS must apply the revenue recovery to only the class of mail corresponding to the incentive program payouts.

## USPS Offers “Early-Out” to Clerks, Mailhandlers

After Postmaster General Louis DeJoy has grown the ranks of career postal workers over the past few years, the Postal Service has now reached agreements with two unions to offer early retirement to the associated employees.

### The agreements

According to January 13 announcements by the American Postal Workers Union, representing over 200,000 postal workers in several craft groups, and the National Postal Mail Handlers Union, representing about 47,000 employees:

“The parties agree that the Postal Service will make lump sum incentive payments totaling \$15,000 (less applicable taxes and deductions) to eligible full-time career employees who choose optional retirement or retire pursuant to a Voluntary Early Retirement (VER). ...”

The \$15,000 incentive for eligible full-time career employees will be paid in two installments: \$10,000 on August 15, 2025, and \$5,000 on August 28, 2026.

The usual eligibility conditions apply: “at least age 50 with at least 20 years creditable Federal service, or any age with at least 25 years creditable Federal service, [but] an employee must have at least 5 years of creditable civilian service to be eligible for an early voluntary retirement.”

Subject to several conditions and limitations, the APWU offer is available to all career clerk craft employees, including those at the Human Resources Shared Service Center in Greensboro (NC), in HQ Facility Services, Administration and Building Support (Merrifield VA), and the National Material Customer Service Center in Topeka (KS), as well as to

members of the maintenance and motor vehicle crafts nationwide. Similarly, the NMHU offer applies to all mailhandlers nationwide.

Employees must indicate by March 7 of their intent to take the offer and agree to retire effective April 30, 2025.

### The USPS

A typically obtuse comment from a postal spokesperson was quoted by *Federal News Network*:

“The United States Postal Service is continuing to transform its business model and build an organization structured for success. As a result of our capital investments in state-of-the-art mail processing equipment and changes to our network, the Postal Service needs to reduce staffing in those facilities that are over-staffed as we continue to provide prompt, reliable, and efficient service to all communities.”

The USPS did not elaborate about why, after DeJoy converted 190,000 “pre-career” employees to career status during his tenure, presumably to offset attrition and establish a “stable work force,” the agency now has to reverse course and reduce employee ranks. Whether the unions had foreseen the eventual need for the offers is unknown.

Given that the conversions significantly reduced the number of lower cost, part-time, flexible-schedule workers, it’s unclear how facilities will avoid operational challenges following the retirement of more senior workers – unless more hiring is planned. New employees come in at a lower pay rate, and with different benefits, but also will require training in whatever jobs they enter.



## The Rumor Mill: Is DeJoy Out?

When Postmaster General Louis DeJoy spoke at the recent meeting of the Mailers Technical Advisory Committee, he gave no indication of concern about losing his job, but the buzz at the meeting, and the Washington rumor mill, seem to think that a possibility.

### The process

Only the governors of the Postal Service can hire or fire a Postmaster General; notwithstanding the speculation in some media, the president cannot. That's been the situation since 1970 when the *Postal Reorganization Act* transformed the Post Office Department (which *did* have a presidentially-appointed PMG) into the Postal Service.

At present, the eleven-member Board of Governors (the nine political appointees plus the PMG and Deputy PMG) is short three appointed members, with another vacancy on the horizon. The terms of Donald Moak and William Zollars expired on December 8, 2022, and the term of Anton Hajjar expired on December 8, 2023; all had served their additional carryover year before leaving. The term of current board chairman Roman Martinez IV expired last December 8, so he is in his carryover year now.

The prior administration had submitted four names to fill the vacancies: Martin Walsh to fill the Moak vacancy, Val Demings to replace Hajjar, Gordon Hartogensis as replacement for Martinez, and William Zollars for a new term. Walsh's nomination was withdrawn before it could be considered, and the other three nominations "died" at the end of the last Congress.

Therefore, the current administration can nominate four people for the board of governors. Given that a political party can hold no more than five governor seats, the current panel's constituency would need two of the nominees to come from each side of the aisle.

Of course, once the nominations are sent to the Senate, confirmation hearings would need to be scheduled, as would a vote by the Senate, so it may be months before the vacancies are filled.

### Meanwhile

The remaining six governors, three reds, two blues, and an independent, have shown no public inclination toward dismissing DeJoy, and have seldom made any comments about him or his policies that were not supportive – but other political machinations may be at work in the background.

Reportedly, while the search for a successor to then-PMG Megan Brennan was under way in 2020, Louis DeJoy – a political ally and contributor to the then- and current president – suddenly came into consideration and was quickly appointed PMG. His political connections and the directives he issued soon after taking office fueled suspicions that he was influencing postal operations to inhibit voting by mail and, in turn, sway the outcome of the election.

Four years later, however, DeJoy seems to be on the outs with the new administration, reportedly over his support for mail-in ballots during the 2024 elections and for endorsing (albeit under pressure) battery-powered vehicles as replacements for the some of the agency's Long Life delivery fleet.

### The Post

An article by investigative reporter Jacob Bogage that appeared in the January 19 *Washington Post* fueled speculation about DeJoy's future.

"President-elect Donald Trump's transition team is vetting candidates to replace Postmaster General Louis DeJoy even though Trump won't have direct authority to fire him, according to four people familiar with the conversations, an early signal of the incoming administration's plans to exert control over – or privatize – the nation's mail service.

"The postmaster general serves at the pleasure of the Postal Service's independent governing board, so unlike with most other federal agencies, the new president can't order the post vacated. But that panel has enough vacancies that Trump and Senate Republicans eventually may be able to stock it with loyalists to reimagine the agency at the White House's behest.

"Trump declared in December that he was 'looking at' taking the massive federal agency private, and some of the Postal Service's largest customers and vendors have begun to prepare for much of the agency's mail- and package-handling work to be outsourced to the private sector.

"DeJoy, a major Trump donor before he was hired in 2020, was selected during Trump's first administration by a postal board composed entirely of Trump appointees. ...

"Trump's opinion of DeJoy has suffered since the postmaster general led the agency to successfully facilitate mail-in voting, including in the 2020 election that Trump lost, said the people, who include individuals who have spoken with industry figures the incoming administration is vetting. DeJoy also met with Trump and Vice President-elect JD Vance at Trump's Mar-a-Lago estate in December.

"Representatives from Trump's transition team did not respond to a request for comment.

"Howard Lutnick, Trump's transition co-chair and pick to lead the Commerce Department, whom *The Washington Post* has previously reported was involved in other postal policy discussions, responded 'False' to a text message seeking comment for this story.

"Representatives from the Postal Service declined to comment.

"Trump will enter the White House with broad leverage to transform the Postal Service – leverage he may need to use to push DeJoy out. The agency has four vacancies on its nine-member governing board. Among sitting members, three are Republicans, and two of those are Trump appointees. Last year's Democratic-controlled Senate never voted on President Joe Biden's four nominees, two of whom had been pending since August. ...

"Trump's team is considering three finalists for the position, the people said.

"One, Robert Taub, is the vice chair of the Postal Regulatory Commission, which oversees the agency's service and rates, and a former congressional chief of staff and special assistant to the secretary of the Army. The second is Thomas Day, a member of the commission who had a three-decade career as a senior executive at the Postal Service. The third, Jim Cochrane, is the chief executive of the Package Shippers Association, a trade group that represents companies including Amazon, DHL, FedEx and EasyPost. Before that, he was a consultant and senior Postal Service executive. (Amazon founder Jeff Bezos owns *The Washington Post*.)

"Taub told *The Post* he had not been contacted by transition officials. Day declined to comment. Cochrane did not respond to requests for comment.

"Trump feuded with the nation's mail carrier as president in 2019, trying to force it to hand over key operations – including

rate-setting, personnel decisions, labor relations and managing relationships with its largest clients – to the Treasury Department. His administration used its influence over the agency's finances to push certain policies and ultimately **forced out DeJoy's predecessor, Megan Brennan**, *The Post* has previously reported.

"Ahead of the 2020 election, Trump said the Postal Service was incapable of facilitating mail-in voting because the agency could not access emergency funding that he was blocking. The Postal Service ultimately delivered 97.9 percent of ballots from voters to election officials within three days. ...

"Many Democrats called for DeJoy to resign or for the governing board to fire him when Biden took office. And while then-White

House press secretary Jen Psaki said in 2021 that Biden was 'deeply troubled' by DeJoy's continued financial relationship with his former employer and took 'serious issue' with his performance, the administration did not call for him to leave office. ..."

It may be prudent that no-one should expect that, even if there is disfavor with DeJoy, and even if there are names being vetted, events will move quickly; as noted, vacant governor seats need to be filled first.

Beyond that, there's no guarantee that, even if DeJoy is dismissed, his replacement won't be just another person whose qualifications are no more than political connections.

## Thoughts About Self-Mailers

As you know from our post on postcards, there are many times that a design element causes a mailing to go at a higher rate of postage. This can be frustrating as well as expensive. In order to help you stay away from potential issues here are some things to keep in mind as you are preparing a direct mail campaign.

Now let's look at Self-Mailers:

- 1. Self-Mailer size is 3.5 x 5 to 6 x 10.5**, anything larger is not mailable in this category. A self-mailer is single or multiple unbound sheets of paper that are folded together and sealed to form a letter-size mail piece. *The USPS created this category in January 2013 to stop jamming and tearing of mail pieces. To us it has been a pain to redesign sizing and folding. Why not just slow the machine down a little? But, alas, that is not the case.*
- 2. Paper stock must be a minimum of 70lb**, as long as the weight is under an ounce. If the weight goes over 1 ounce the minimum is 80lb. Anything less will need to go in an envelope. *Our main issue with this one is how the heck will the postal clerks know what kind of paper stock was used? Are they really going to measure them all? We get it that thin equals floppy and floppy equals bad for machines, but it could have been addressed with a thickness of .009 or something along the usual guidelines.*
- 3. Keep your aspect ratio between 1.3 and 2.5.** In order to calculate the aspect ratio you start by looking at the mail panel, then take the length of the self-mailer and divide it by the height. *We are told that the reason for this rule is machine compatibility, when the mailer is short and long it does not run through the equipment correctly causing jams and again torn mailers. We don't want that!*
- 4. There are two options for addressing a self-mailer:**  
**Barcode in the address block:** 4 x 2 clear area, no varnish, UV coating, text, or images for the address block. The block needs to be a minimum .5 inches from the right edge and .625 inches from bottom edge. The block can be no higher from the bottom of the mailer than 3.5 inches. Lastly the address must remain at a minimum distance from graphics or text of .125 inches.  
**Barcode clear zone addressing:** The barcode clear zone is the bottom 5/8 of the postcard and must be free of all color, text and images. Next the address block must be a minimum .5 inches from the right edge and minimum of .625 inches from bottom edge. The block can be no higher from the bottom of the mailer than 3.5 inches. Lastly the address must remain at a minimum distance from graphics or text of .125 inches. *These requirements are meant to keep the address in the OCR (Optical Character Reader) read area of the postal equipment. Honestly,*

*the current equipment has more read area than this, but getting the post office to change rules in our favor does not happen!*

### 5. There are two kinds of folds horizontal and vertical:

For **horizontal folds**: the final fold is below the mail panel. This can be an 8.5 x 11 half folded, an 11 x 17 half folded and half folded again and so on. If you use the 11 x 17 keep in mind that the first half fold needs to be to the right of the mail panel, the second below it.

For **vertical folds**: the final fold is to the right of the mail panel. Folding requirements are very strict so make sure to adhere to them. *This rule was created so that mailers would have a fold in the two areas that most often cause machine jamming the bottom and lead edge. These seem a little stringent, but we do want the mailers to arrive looking nice!*

### 6. Tabbings or fugitive glue closures are required:

If **tabbing**: up to 1 ounce mailer needs two 1 inch tabs, mailers over 1 ounce need two 1.5 inch tabs and if you are using perforations or inserts it needs two 2 inch tabs.

If **fugitive gluing**: use a continuous glue line of 1/8 inch wide or glue spots of 3/8 inch diameter, 3 to 4 spots or elongated glue lines 1/8 inch wide, 3 to 4 lines. As an example, on a horizontal fold you will have two tabs above the mail panel or two to the right and one to the left. On a vertical fold you will have one tab above mail panel and one to the left or two to the left. *This one really hurts! With all these tabs and glue, the mailers are really hard to open and in a lot of cases they tear. Not really the presentation we are looking for!*

### 7. Poly bag/envelope:

If you use a poly bag or envelope your mail will have to go at flat postage rates. You cannot use them with self-mailer letter size mail. *This is not too onerous, but it would be nice to be able to use the clear envelopes to keep the mailers looking nice and still be able to see them.*

A client's best bet is to send a PDF of its self-mailer design to its direct mail service provider to have them find any problems with the design. They can make sure the design is automation-compliant and can advise on how to save on postage. As a client goes through the process, these issues shouldn't stop their creativity; it's the unique and creative pieces that get the recipients attention and increase ROI. Do not let these regulations limit the design. There are plenty of ways to create self-mailers that stand out and get attention! The mail service provider can provide samples and suggestions.

This article was provided by long-time colleague Summer Gould, formerly of Eye/Comm, now an account executive with Neyesesch Printers, San Diego (CA). She may be contacted at [summer@neyesch.com](mailto:summer@neyesch.com).

## Closing but Not Closing

Post offices nationwide have typically served two purposes: retail in the front and carrier operations in the back. Though some small offices in rural areas may have only a few or no carriers, larger towns and cities, as well as stations and branches of large post offices, more frequently have both.

As Postmaster General Louis DeJoy has advanced his 10-Year Plan, one element has been the consolidation of carriers from multiple post offices into a single facility – a Sorting and Delivery Center – that would have distribution equipment for anticipated package volume and, outside, charging stations for new electric delivery vehicles.

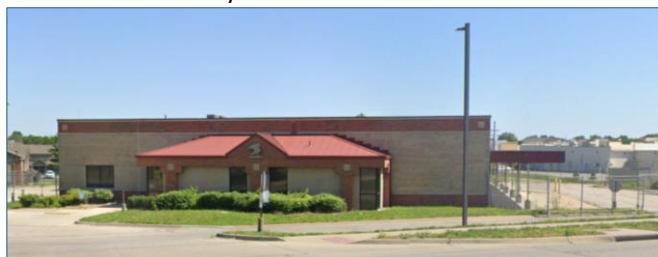
Obviously, removing carrier operations from a post office results in a significant amount of vacant space, but the USPS has been less than transparent about its true plans for what to do with that excess room. Instead, in an effort to prevent customer complaints or associated political issues, the agency has sought to assure local officials that retail service will not be impacted.

For example, in its January 13 *Industry Alert* about the opening of twelve new S&DCs (see the next page), the agency stated “The opening of the new S&DCs will not impose Post Office closures or cause customers to experience changes to the local Post Office retail and PO Box delivery services.” (Such an assurance has been used before; read on.)

Whether the Postal Service’s categorical statement is in line with actual events is another matter, as two reports by *Save the Post Office* illustrate.

### Examples

Last June, the Postal Service moved 31 carrier routes and the associated letter carriers from the Sherwood Carrier Annex in Topeka (KS) to the new S&DC at the Topeka P&DC facility, about five miles away as the crow flies.



Though nominally a “carrier annex,” the facility was classified on the USPS Post Office locator as a “post office” with listed lobby hours to access PO boxes or call for held mail. However, when the carriers left, the USPS decided to close the vacated building and so posted a notice advising customers to visit another facility a few miles away.

Responding to local media questions about the closure, the USPS stated it was part of the PMG’s 10-Year Plan but that “customers will not see changes to local post office retail operations.” Moreover, the Postal Service added, “No post offices will be closed and PO Box service will not be changed.”

Somehow, the Sherwood Carrier Annex, though described by the USPS as a “post office,” wasn’t a post office when it suited the agency, and the relocation of the facility’s PO Box service wasn’t really a “change.”

Another example is the “relocation” of the Tropical Reef station in Pompano Beach (FL) after its 91 carrier routes were moved to a new S&DC seven miles away. The building has over 48,400 square feet, but most of it is vacant now that the carriers have left.



Consequently, as reported January 11 by *Save the Post Office*, the USPS has decided to move the retail operation somewhere else, and is seeking about 5,000 square feet within a mile of the station. However, doing so will remove the postal presence from downtown, now represented by the station, as Pompano Beach’s main post office is actually about three miles west.

Though it makes good business sense to shed an unnecessary building whose lease cost *Save the Post Office* reported to be about \$450,000 per year, the Pompano Beach situation illustrates the inherent contradiction between capturing such savings while living up to the promise that customers won’t “experience changes to the local Post Office retail and PO Box delivery services.”

As it did in Topeka, the Postal Service again must have creatively reinterpreted that moving something a mile away doesn’t “cause customers to experience changes to the local Post Office retail and PO Box delivery services.”

### Reality vs publicity

Many of the initiatives associated with the PMG’s Plan have been developed in the insular realm of postal leadership, without any input from customers or mailers. As a result, significant changes are being implemented with no or minimal awareness – or concern – for how they’re impacting how customers “experience” service.

Meanwhile, the Postal Service’s expert publicists craft stories that shine the best possible light on the agency’s actions. Whatever the USPS is doing, they claim, is necessary to help the agency achieve the goals prescribed by the 10-Year Plan – a document few among the general population have ever read, let alone chosen to support by quietly accepting reduced service.

Few would dispute the value of shedding costly space that’s vacated by changes in delivery operations, or that adjustments to the retail network are not sometimes appropriate. Rather than being candid and transparent, however, the Postal Service’s spinmeisters continue to try to convince people nothing is changing when that’s clearly not true.

It will be interesting to read how they spin future closings or relocations of a retail facility as not causing change to how customers “experience” service.



## USPS Opens More S&DCs

In a January 13 *Industry Alert*, the Postal Service announced the opening of twelve new sorting and delivery centers and the addition of more delivery areas to others. The agency added that “Commercial customers should drop their flat bundles or packages for drop shipment at the S&DC serving the respective destinating ZIP Codes. The opening of the new S&DCs will not impose Post Office closures or cause customers to experience changes to the local Post Office retail and PO Box delivery services.”

| S&DC   | Location  | ZIP Codes Served   |
|--|---|--|
| February 22, 2025 <b>new sites without additional</b> 5-Digit ZIP Code moves:            |   |  |
| Brentwood TN   | 1734 General George Patton Dr, Brentwood TN 37027 | 37027  |
| Brockton MA  | 120 Commercial St, Brockton MA 02302              | 02301-02303  |
| Denton TX  | 101 E McKinney St, Denton TX 76201                | 76201-76203, 76205, 76207-76210  |
| Greenville (Main) SC   | 600 W Washington St, Greenville SC 29602          | 29601-29603, 29605, 29609, 29613, 29614  |
| Paterson NJ  | 194 Ward St, Paterson NJ 07510                    | 07501, 07504, 07505, 07509, 07510, 07513, 07514, 07522, 07524, 07544   |
| Pittsburgh (Northside) PA  | 900 Pennsylvania Av Ste 1, Pittsburgh PA 15233    | 15202, 15212, 15214, 15225, 15233  |
| Waldorf MD   | 110 Paul Mellon Ct. Waldorf MD 20602              | 20601-20603, 20695   |
| February 22, 2025 <b>new sites with additional</b> 5-Digit ZIP Code moves:               |   |  |
| El Monte CA  | 11151 Valley Blvd, El Monte CA 91734              | 90660, 91731-91735   |
| New Castle PA  | 435 S Cascade St, New Castle PA 16108             | 16051, 16052, 16057, 16101, 16102, 16105, 16107, 16108, 16112, 16116, 16156, 16159   |
| Portsmouth NH  | 345 Heritage Av Unit 100, Portsmouth NH 03801     | 03801-03804, 03840, 03842-03844, 03856, 03857, 03862, 03870, 03874, 03885, 03902-03905, 03909                                |
| Rothschild WI  | 400 Creske Av, Rothschild WI 54474                | 54401-54403, 54455, 54474  |
| Winston Salem NC   | 1500 N Patterson Av, Winston Salem NC 27105       | 27040, 27045, 27051, 27094, 27098, 27099, 27101, 27102, 27105, 27108, 27110, 27111, 27115, 27150, 27152, 27155, 27157, 27199 |
| February 22, 2025 <b>existing S&amp;DC sites with additional</b> 5-Digit ZIP Code moves: |   |  |
| Columbus GA  | 3916 Milgen Rd, Columbus GA 31907                 | 31820, 31829, 31831  |
| Kilmer NJ  | 21 Kilmer Rd, Edison NJ 08899                     | 08832, 08840, 08846, 08863   |
| Lake Charles LA  | 921 Moss St, Lake Charles LA 70601                | 70669  |
| Southeastern PA  | 1000 W Valley Rd, Southeastern PA 19399           | 19380, 19382   |
| Stockton Airport CA  | 3131 Arch Airport Rd, Stockton CA 95213           | 95320, 95366   |
| Wallingford CT   | 24 Research Pkwy, Wallingford CT 06492            | 06408, 06410, 06411, 06457, 06459  |
| Washington Township OH   | 7525 Paragon Rd, Dayton OH 45459                  | 45305, 45370   |
| York East PA   | 3435 Concord Rd, York PA 17402                    | 17361, 17370, 17554  |

## Paying its Taxes

In a January 14 filing with the Postal Regulatory Commission, the Postal Service reported its *Calculation of Assumed Federal Income Tax on Competitive Products Income for the Fiscal Year ending September 30, 2024*. Based on its calculations, the agency paid \$1.224 billion into the Postal Service Fund – rather than to the IRS.

The requirement derives from section 402 of the 2006 *Postal Accountability and Enhancement Act* that, in addition to establishing the current ratesetting process, also divided postal classes into market-dominant and competitive products.

Perhaps to align with the tax burden imposed on private companies, lawmakers adopted a provision to require that an annual payment in lieu of taxes be made by the January 15 following the close of each fiscal year.

The Competitive Products Fund is an account with the US Treasury that receives revenue from USPS competitive products. The Postal Service Fund is another account with the US Treasury that receives other revenues paid to the USPS, including postage from market-dominant products, and from which the agency draws money to pay its expenses.

As a result, the “payment” is more of an accounting process than an actual transfer of money; the origin and destination are both USPS accounts with the US Treasury.

| Calculation of Assumed Federal Income Tax on Competitive Products Income<br>for the Fiscal Year ending September 30, 2024  |               |
|--|---------------|
| FY 2024 Competitive Products Income Before Tax<br>Source: FY24 Competitive Products Income Statement (Docket ACR2024, USPS-FY24-39, PRC Form CP01)<br>(\$ in 000s) |               |
| Revenue  |               |
| (1) Mail and Services Revenues   | \$ 33,821,636 |
| (2) Investment Income  | -             |
| (3) Total Competitive Products Revenue   | 33,821,636    |
| Expenses   |               |
| (4) Volume Variable Costs  | \$ 22,042,555 |
| (5) Product Specific and Group Specific Costs  | 175,887       |
| (6) Incremental Intangible Costs   | 1,474,914     |
| (7) Total Competitive Products Attributable Cost   | 23,693,356    |
| (8) Net Contribution Competitive Products Market Tests   | -             |
| (9) Net Income Before Institutional Cost Contribution  | 10,125,180    |
| (10) Required Institutional Cost Contribution  | 4,295,128     |
| (11) Net Income Before Tax   | 5,830,055     |
| Postal Service Competitive Products Fund<br>2024 Assumed Federal Income Tax  |               |
| Net Income (Loss) Before Tax   | \$ 5,830,055  |
| Temporary Timing Differences*  | N/A           |
| Permanent Differences**  | \$0           |
| Taxable Income   | \$ 5,830,055  |
| Tax Calculation -  |               |
| Tax on \$5,830,055 @ 21%   |               |
| Assumed Federal Income Tax to be transferred to the Postal Service Fund  | \$ 1,224,312  |
| Instructions for Form 1120<br>U.S. Corporation Income Tax Return   |               |
| Schedule J. Tax Computation and Payment  |               |
| Part I—Tax Computation   |               |
| Line 2<br>Multiply taxable income (page 1, line 30) by 21%. Enter this amount on line 2.   |               |
| * Per PRC Order 106 – Section IV (Calculation of Assumed Federal Income Tax)   |               |
| ** Permanent differences (including Meals and Entertainment) are not material and are excluded   |               |

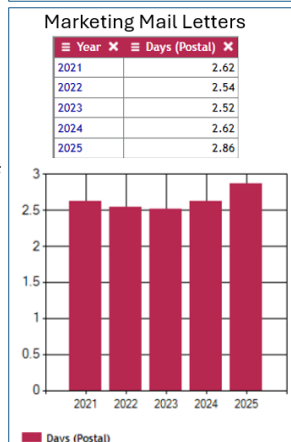
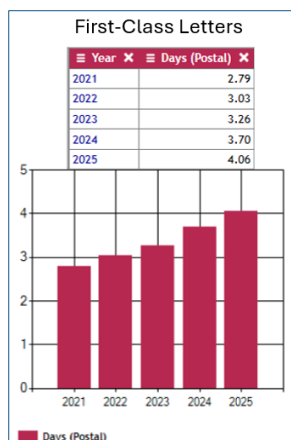
## Postal Service Performance – The Big Picture

When you make your living tracking mail every day it's easy to get hung up in the daily and weekly details. Every Sunday I get to see how the performance was for the prior week. Over time one begins to see some patterns to service:

- **Seasonality matters.** Predictably, service slows in the lead up to the year-end holidays. It generally begins to slow just after Thanksgiving. Less expected, service is at its worst in the spring. February through April are typically the slowest months. There is weather to deal with, but the bigger factor is that relatively heavy volume continues while the vacations not taken in preparation for “busy season” are taken in the spring.

- **First-Class Mail is getting slower every year.** In 2021, a typical First-Class letter took 2.79 days to be delivered. In 2024, it was nearly a full day slower at 3.70 days, and 2025 is not off to a good start.

- **Marketing Mail has performed much more consistently,** and although there have been some concerning trends in late 2024, it is still a reliable product. There is, generally, no speed advantage to First-Class Mail. If you are using First-Class Mail because the rules require you to, or for the additional services offered (free forwarding, etc.), OK, but if you're looking for speed to market, look twice. On average, Marketing Mail moves faster, with “on average” being the operational phrase. There can be exceptions, so test and track.



- **Flats in general,** and especially First-Class flats, are a gamble. It seems that when the FSS machines were taken out of service, there wasn't a very good backup plan in place.
- **Reply mail can be problematic.** It travels with all the other First-Class Mail until it reaches its delivery facility. Depending on how that facility handles BRM, it can be hung up for days, or longer. Setting expectations with inbound tracking can help identify irregularities if all the mail doesn't seem to reach the caging operation.

Using the IMbA – the IMb Accounting service – is critical to improve service and avoid manual processing. It's much more than a promotion this year.

I'm often asked why the mail is so much slower today, and I can only speculate. Sometimes it is one area, such as Atlanta in the spring of 2024, that is dragging the averages down, but more often it is a small but widespread decline. Senior management at USPS has openly stated that attaining service standards is not a top priority, so I imagine service gets worse one unprocessed tray at a time, one truck that doesn't dispatch because it isn't full. If the boss doesn't care, why make the extra effort?

The most predictable way to send mail is to drop ship to a point near delivery, preferably at the SCF level. This kind of workshare is effective both for better rates and more consistent delivery.

So, the mail still works – it is an irreplaceable marketing channel. But you need to allow more time for delivery, track it, and pay attention to delivery trends where your mailing.

This article was produced by Dave Lewis, President of SnailWorks, based in Frederick (MD). Dave is a recognized industry expert and frequent speaker at postal and industry functions. Dave has held leadership roles in several industry associations, has served as a Mailers Hub representative on MTAC, and is the 2024-2025 president of the Mailing and Fulfillment Services Association. Dave is a graduate of the University of Maryland. When he isn't mailing and marketing stuff, Dave enjoys buying (and even occasionally playing) guitars and traveling.

## Competitive Prices Approved

In an order issued January 16, the Postal Regulatory Commission approved price changes for competitive products that had been announced by the Postal Service last November 15.

In its notice, docketed as CP2025-1, the USPS had listed the revised prices for Priority Mail Express, Priority Mail, Parcel Select, USPS Ground Advantage, some domestic extra services, and several international competitive products and services, and added that it intended to put them into effect on January 19, 2025. (See the November 18, 2024, issue of *Mailers Hub News* for details.)

The Postal Service is required to file notice of changes to competitive products no less than thirty days in advance but, customarily, is had done so much earlier, often about sixty days prior to implementation. In turn, the PRC examines the notice for compliance with statutory requirements and, typically, responds within about a month of the USPS filing.

Barring any statutory issues, the commission usually approves whatever the USPS stated and allows the revised prices to go into effect as planned.

In this latest filing, however, the PRC took much longer than usual to render its decision, causing noticeable concern for both the USPS and software providers uncertain if the January 19 date would hold. When the commission's decision was issued it was only two days before the planned implementation date.

The PRC's nine-page decision offered no insights into the delay. It contained the usual analyses of the Postal Service filing, discussion of the applicable statutes, and the commission's conclusion that it found no defects in the USPS filing to warrant further action. In the end, it stated simply that “the Postal Service may implement its proposed rate and classification changes as scheduled.”



## OIG Finds EV Issues at New S&DC

Last June 3, the Postal Service moved 31 carrier routes into the new Topeka Sorting & Delivery Center adjacent to the Topeka P&DC (see the related article on page 3). Consistent with the agency's plans for such facilities, it was fitted with the necessary infrastructure to support battery-powered delivery vehicles. Given that the Topeka S&DC was purpose-designed and built, it may be reasonable to expect it to reflect the "precision" that Postmaster General Louis DeJoy likes to claim permeates USPS operations.

However, as the USPS Office of Inspector General found during an audit of the facility, that wasn't the case. Rather, in its report, *Fleet Modernization – Facility Preparedness for Electric Vehicles at the Topeka Sorting and Delivery Center*, issued January 8, the OIG described a variety of issues.

### Background

As the OIG stated,

"The US Postal Service selected the Topeka Sorting and Delivery Center (S&DC) as one of the first facilities for fleet electrification. To support its planned electric vehicle (EV) roll out, the Postal Service contracted for the design and installation of 95 parking spaces with charging ports. To conduct the commissioning, they hired external contractors to perform electrical, network, charging, and safety testing. Carriers began using 25 EVs for delivery on June 6, 2024.

"Our objective was to assess whether the Topeka S&DC was prepared to utilize EVs in delivery operations. We conducted observations at the Topeka S&DC and worked with contractors to perform electrical testing and evaluate the operating and safety features of the infrastructure."

### Findings and recommendations

- **"Finding #1: Topeka Sorting and Delivery Center's Preparedness.** The Postal Service effectively implemented EV infrastructure for delivery operations at the Topeka S&DC. Despite improvement opportunities regarding security, safety, and communications discussed in the following findings, the EV infrastructure was generally sufficient to charge and use vehicles. ...

"To confirm the infrastructure functionality, the OIG verified the design implementation and performed electrical, safety, and cellular tests of the charging infrastructure. ... The results of the electrical test plan suggest that the chargers are performing at the designed current and voltage levels. ..."

The OIG made no recommendations related to this finding.

- **"Finding #2: Charging Station Infrastructure Was Not Secured.** Local management at the Topeka S&DC failed to secure EV infrastructure. Specifically, management did not secure the delivery vehicle parking lot at the end of the day ... and left all the electrical panels unlocked with the keys inside their box ... . In addition to being unlocked, one panel had several taped drill marks within the enclosure ... potentially allowing water into the enclosure. Additionally, the facility lacked readable signage to restrict public access to the delivery vehicle parking lot, chargers, transformers, or electrical panels as required ... .



Source: Picture taken by OIG at the Topeka S&DC June 5, 2024.



Source: Picture taken by OIG at the Topeka S&DC June 5, 2024.

"These issues occurred for a variety of reasons. Regarding the unlocked gates, because the Topeka S&DC previously operated as a 24-hour facility, local management did not need to lock the delivery operation gates. Since its transition to an S&DC on June 3, 2023, and the cessation of round-the-clock operations, it is now necessary to secure the delivery gates daily. However, local management stated they never got into the habit of locking the gates once the facility stopped operating as a 24-hour facility. ...

"Further, local management stated they were aware of the unlocked electrical panels; however, they were too busy to lock them and would be locking them in the future. ..."

The OIG made three recommendations:

- (1) "... reiterate policy to ensure local management adheres to security protocols for asset protection and lock the delivery gates nightly;
- (2) "... require local management to replace deteriorated exterior signage throughout the facility;
- (3) "... require the contractor to validate the National Electrical Manufacturer Association 3R rating is not compromised."

The OIG reported that "Management disagreed with the finding but agreed with recommendations 1, 2, and 3."

- **"Finding #3: Safety Controls Need Improvement.** The Postal Service did not confirm the parking lot construction met the design criteria blueprints. During a site visit on June 5, 2024, we statistically selected 35 of the 95 EV parking spaces and found 12 of the 35 (34%) spaces were less than the 20 feet in length as outlined in the design specifications. This – along with the size of the COTS EVs and the width of a parking lot drive aisle being shorter than the specified 24 feet – did not provide sufficient space for maneuvering. The OIG witnessed and multiple Postal Service delivery carriers stated it takes six-to-eight attempts to safely maneuver the vehicles in and out of the parking spaces. Additionally, bollard spacing at one electrical panel frame did not meet design criteria blueprints for protecting critical electrical equipment from vehicular traffic ... .



Source: Picture taken by OIG at the Topeka S&DC August 22, 2024.

"These issues occurred because Postal Service management did not always provide adequate oversight to ensure that work performed by contractors met the dimensions specified in the design criteria blueprints. Instead, per the [Project Management Office] team, a limited review of the blueprints was performed and only confirmed the parking spaces were in the right location. ..."

The OIG offered two recommendations:

- (4) "... require the contractor to either stripe the space near the electrical panel or add an additional bollard to protect the panel from potentially being damaged;
- (5) "... communicate to locations with electric vehicle infrastructure that policy regarding reporting safety hazards also includes electric vehicle infrastructure."

The OIG noted that "Management disagreed with finding 3 and recommendation 5 but agreed with recommendation 4."

- **Finding #4: Inadequate Communication Between Headquarters and Local Management.** Adequate communication between headquarters and local management did not always occur. Specifically, local management did not know who to contact when issues occurred with the charging station infrastructure.

"During our site visit in June 2024, local management identified five chargers that were offline. ... When we returned in August 2024, the same five chargers malfunctioned. ... The PMO team worked with the supplier on a corrective action plan to repair the inoperable chargers. As of September 26, 2024, the chargers were fully functional and regularly checked by the PMO team. ...



Source: Picture taken by OIG at the Topeka S&DC June 5, 2024.

"We also observed the COTS EVs incorrectly parked headfirst into stalls designed for NGDV EVs, which would require carriers to load vehicles in traffic. We informed local management that the vehicles should be backed into the space to allow for carriers to safely load delivery vehicles from the rear in the loading zone instead of the drive aisles. During our follow-up visit in August 2024, we noticed management took corrective action and parked the COTS EVs correctly.

- "These issues occurred because the PMO team did not provide written instructions to local management on the use of EV infrastructure. ..."

The OIG made two recommendations:

- (6) "... disseminate communication regarding the updated Next Generation Delivery Vehicles program website – which contains

electric vehicle policies, procedures, and how-to videos, including parking instructions – to local management at the Topeka Sorting and Delivery Center and future facilities;

- (7) "... verify the contact labels are installed at the Topeka Sorting and Delivery Center and establish a plan to verify their installation at future facilities."

The OIG added that "Management disagreed with finding 4 but agreed with recommendations 6 and 7."

### Observations

For regular readers of OIG audits, there are familiar themes again in the report about the Topeka S&DC: insufficient oversight, training, and communication.

It shouldn't go unrealized until an OIG audit that parking lots and electrical panels should be locked, that space for vehicle movement ought to be sufficient, or that carriers need to park their trucks so they can be loaded safely.

Whether during planning, construction, or operation, the ease with which the OIG can identify such deficiencies does not reflect the "precision" about which the PMG brags. The USPS is establishing scores of S&DCs but how those will show lessons learned from Topeka remains to be seen.

One question that's been raised separately, and that the audit (conducted in summer) did not consider is how well the battery-powered vehicles will do in cold weather, i.e., how well will the batteries perform to power the trucks. Many observers suspect that batteries will not deliver the same power in the cold as in the warm, which could be a problem if they drain before the carrier can return to the charging point. (As of this writing, the daytime high temperatures in Topeka were in the 20s and 30s.)

## Pony Up, USPS

The new Congress' first shot at the USPS has been fired. On January 15, Rep Sam Graves (MO 6<sup>th</sup>) introduced HR 431, the *Pony Up Act*, a measure that would require the Postal Service "to reimburse fees charged for the late payment of bills that were delayed in the mail."

Co-sponsored by Reps Emanuel Cleaver II (MO 5<sup>th</sup>), Mark Alford (MO 4<sup>th</sup>), Mike Bost (IL 12<sup>th</sup>), Mike Collins (GA 10<sup>th</sup>), Pete Stauber (MN 8<sup>th</sup>), and Tracey Mann (KS 1<sup>st</sup>), it replicates a similar bill (HR 7631) that was filed March 12, 2024, but wasn't enacted before the end of the 118<sup>th</sup> Congress.

As stated in a related press release from Graves:

"Countless complaints have been registered by constituents whose mail hasn't arrived on time, or at all in some cases. Many of those complaints have involved late fees needing to be paid regularly due to bills being delivered late. Multiple municipal utilities have also complained that their bills aren't arriving to their customers in a timely manner. The legislation would require USPS to pay any late fees incurred on bills due to delayed delivery service.

"'Constituents across my district are routinely frustrated by late mail delivery and they should be – the Postal Service isn't getting the job done,' said Congressman Graves. 'Folks expect their mail to show up on time, six days a week. Instead, they are constantly faced with late deliveries and it's costing people money. If the Postal Service isn't going to get the mail out of the processing center and to the mailbox on time, then they should pony up and pay the late fee.' ...

"The bill would enable anyone who incurred a late fee due to the late delivery of a bill to file a claim for a late fee repayment. Filing for the repayment would occur online through a portal or in person at any post office.

"The legislation would also require a report on delayed mail, giving Congress relevant and accurate information to identify how effective the Postal Service is and what average delays look like. ..."

The release also cited repeated instances from 2022 through 2024 in which the writers contacted the Postmaster General about service issues, apparently without satisfactory results:

"... In January 2024, Graves and Cleaver led a cohort of fellow lawmakers calling on USPS to halt price increases on stamps, following the agency's record-breaking fourth rate increase in the last eighteen months. The legislators demanded USPS address the failings of the Delivering for America Plan and turn around performance issues of the USPS in order to legitimize a price hike for consumers. ..."

Another Graves' colleague representing Missouri, Sen Josh Hawley, was notably direct in criticizing the DeJoy and the Postal Service's performance during a Senate hearing last December, telling the PMG that "I hate [the 10-Year] plan and I'm going to do everything I can to kill it." Of course, political saber-rattling and real constructive legislative action are two very different things. Graves' bill was referred to the House Committee on Oversight and Government Reform, so it may be some time before we'll know if substantive action results.

## Miscellany

### No freeze

A January 23 notice by the National Association of Letter Carriers asserted that the Postal Service is exempt from the president's recent order freezing government hiring.

The notice cited a January 20 memorandum on "Federal Civilian Hiring Freeze Guidance" that was issued jointly by the US Office of Management and Budget and the US Office of Personnel Management. Section 4 of that memo, "Other exemptions," stated that "the following exemptions to the Federal civilian hiring freeze are permitted ... (d) Hiring by the US Postal Service."

### Not fans

Six US representatives, Reps Cliff Bentz (OR 2<sup>nd</sup>), Jack Bergman (MI 1<sup>st</sup>), Harriet Hageman (WY at large), Adrian Smith (NE 3<sup>rd</sup>), Pete Stauber (MN 8<sup>th</sup>), and Ryan Zinke (MT 1<sup>st</sup>) joined in a January 21 letter to the president decrying the impact of the Postmaster General's 10-Year Plan on service to rural customers:

"... Introduced in March 2021, the DFA plan was developed as a 10-year strategic initiative to address longstanding financial challenges, service performance issues, and operational inefficiencies within USPS. While we fully support these laudable goals, we have significant concerns about the agency's approach to achieving them. Certain elements of the DFA plan – namely, processing facility consolidations and the Regional Transportation Optimization (RTO) initiative – have already proven ineffective in meeting the plan's objectives in pilot locations and are likely to have a disproportionately negative impact on rural and remote communities nationwide. ...

"In light of this, we respectfully request you direct the Postmaster General to suspend the DFA plan until it can be verified that its components will not negatively impact rural mail delivery. ..."

### Iron Mountain

The demotion of the P&DC in Iron Mountain (MI) has not set well with Rep Jack Bergman (MI 1<sup>st</sup>). In a January 17 letter to the Postmaster General, Bergman wrote:

"I write to express dismay with your decision to change the mail processing operations affecting the Oscar G. Johnson Department of Veterans Affairs Medical Center (OGJ VAMC) in Iron Mountain, Michigan.

"It has recently come to my attention that all outbound mail from the OGJ VAMC – including vital prescriptions and documents for Veterans – is now being routed to the US Postal Service (USPS) Processing and Distribution Center in Milwaukee, Wisconsin, instead of the Green Bay center, as had previously been the case.

"What is especially concerning is that this change was made without any prior notice to my office.

"Instead, I learned about this shift through constituents reaching out to me. This lack of communication from your agency is entirely unacceptable, particularly when an operational change of this nature – affecting the delivery process for prescriptions – could have significant impacts on the health and wellbeing of Veterans in Michigan's Upper Peninsula and Northeast Wisconsin.

"Moreover, this shift further amplifies serious concerns regarding USPS's ongoing challenges under the Delivering for America (DFA) plan. For months, I have raised alarms about the decline in mail service and deterioration of delivery standards linked to the DFA plan, which have disproportionately impacted rural and remote communities like ours. ..."

### Louisville

The Louisville P&DC has become the latest postal facility to draw likely unwelcome attention over service issues. As reported by *WDRB*, an anonymous employee covertly photographed the interior of the plant, showing a workroom floor jammed with containers of parcels. The report found that

"The USPS isn't giving much information on the cause of the problem or when it'll be resolved. [A] strategic communications specialist for USPS declined a request Wednesday to speak to the postmaster in Louisville, blaming the delays on weather. ...



"It was like this before the weather even came," a USPS employee said. "It's going to be a long while – a long while. This postal office is packed with mail. It's ridiculous. ... There's no order, nothing. It's total chaos."

"USPS won't say how backed up the [facility is] with several semi-trucks arriving each day. Employees say they think it could be months before the issue is resolved. 'Last week, there was over 50 (semis) full of mail ... and they have packages in the barn,' an employee said. 'They are throwing people's packages in the barn.' Employees say the barn is an extra storage area, which is frustrating employees working there."

An employee of the facility added that, unlike in previous years, no temporary help was hired for the holidays.

Another report by Lexington (KY)'s *WLEX* regarding delays in the state drew a similar response from the USPS:

"We are aware of recent service delays in the Louisville area and want to provide an update on the situation. Back-to-back severe weather events have significantly impacted our operations both locally in Kentucky and across our network. These weather-related challenges, coupled with an increase in employee availability issues following the storms, have contributed to temporary mail and package delivery delays in the region. Senior leaders are actively working with local teams to address the situation and restore the level of service our customers are accustomed to. We are committed to resuming normal operations as quickly and safely as possible. ..."

One patron with whom the TV reporter spoke said a package destined to be a Christmas present has yet to be delivered. Another, a small businessperson, said customers are complaining about delays in receiving ordered merchandise.

As much as the situation is troubling, more irritating is the Postal Service's institutional reluctance to candidly acknowledge a situation that customers know exists, and that any eventual acknowledgement apparently has to be motivated by clandestine reports by employees.



## All the Official Stuff

### Federal Register

#### Postal Service

##### NOTICES

**January 15:** Product Change [20]: Priority Mail Express, Priority Mail, and USPS Ground Advantage Negotiated Service Agreement [16], 3976, 3976, 3976, 3977, 3977, 3977, 3977, 3978, 3978, 3978, 3978, 3978, 3979, 3979, 3979, 3979; Priority Mail and USPS Ground Advantage Negotiated Service Agreement [4] 3976, 3977, 3978, 3979.

**January 16:** Product Change [54]: Priority Mail Express, Priority Mail, and USPS Ground Advantage Negotiated Service Agreement [45], 4808, 4808, 4809, 4809, 4809, 4809, 4810, 4810, 4810, 4810, 4810, 4810, 4811, 4811, 4811, 4811, 4812, 4812, 4812, 4813, 4813, 4813, 4814, 4814, 4814, 4814, 4814, 4815, 4815, 4815, 4815, 4814, 4816, 4816, 4816, 4816, 4816, 4817, 4817, 4817, 4817, 4818, 4818, 4818, 4818; Priority Mail and USPS Ground Advantage Negotiated Service Agreement [9], 4808, 4809, 4811, 4812, 4812, 4813, 4813, 4814, 4817.

**January 23:** International Product Change – Priority Mail Express International, Priority Mail International, and First-Class Package International Service Agreement, 8059.

**January 24:** Sunshine Act Meetings, 8165; Product Change [5]: Priority Mail Express, Priority Mail, and USPS Ground Advantage Negotiated Service Agreement [3], 8164, 8165, 8165; Priority Mail and USPS Ground Advantage Negotiated Service Agreement [2], 8165, 8165.

##### PROPOSED RULES

[None.]

##### FINAL RULES

**January 17:** Inspection Service Authority; Civil Monetary Penalty Inflation Adjustment, 5649-5651.

**January 27:** New Mailing Standards for Hazardous Materials Outer Packaging and Nonregulated Toxic Materials, 8174-8179.

#### Postal Regulatory Commission

##### NOTICES

**January 14:** New Postal Products, 3264-3266.

**January 15:** New Postal Products [2], 3972-3974, 3974-3976.

**January 17:** Complaint, 6032; New Postal Products [2], 6034, 6034-6035; Removing Bound Printed Matter From the Market Dominant Product List and Raising USPS Marketing Mail Weight Limits, 6035-6036.

**January 21:** New Postal Products, 7198-7199.

**January 22:** New Postal Products, 7712-7713.

#### USPS Industry Alerts

January 13, 2024

##### Postal Service Launches Twelve New Sorting and Delivery Centers

The Postal Service will launch twelve new sorting and delivery centers (S&DC) around the nation on February 22, 2025. Five S&DCs will open with multiple 5-Digit ZIP Codes being moved into them; Seven S&DCs will open without additional 5-Digit ZIP Codes moving into them. Also, seven existing S&DCs will expand with additional 5-Digit ZIP Codes. ... The schedules for the new S&DCs launches are listed below with the ZIP Codes they will serve [see the chart on page 7]. Commercial customers should drop their flat bundles or packages for drop shipment at the S&DC serving the respective destinating ZIP Codes. The opening of the new S&DCs will not impose Post Office closures or cause customers to experience changes to the local Post Office retail and PO Box delivery services.

January 14, 2024

##### Officer Announcement: Pete Routsolias, Senior Vice President of Logistics

Effective January 25, 2025, Pete Routsolias will become the Senior Vice President of Logistics. Pete has been acting in this position since June of 2024. In this role, Pete is responsible for the strategic design of a world class logistics network and will continue to drive cost reductions and service-enhancing processes. This organization will also lead the redesign of the surface transportation network and improve carrier management leveraging our new state-of-the-art logistics platform. In late 2020, Pete joined the Postal Service as the Vice President of Transportation Strategy where he led the strategic design of a world-class transportation network and was responsible for developing cost and service-enhancing processes that optimized delivery and sortation operations throughout Postal Service plants. He

**January 23:** Income Tax Review, 8057-8058; New Postal Products, 8058-8059.

**January 27:** New Postal Products [2], 8226-8227, 8227-8228.

##### PROPOSED RULES

**January 21:** Periodic Reporting, 6927-6928.

##### FINAL RULES

[None.]

#### DMM Advisory

**January 15:** Monthly Labeling List Changes.

**January 22:** Postal Service to Sell Newly Redesigned Money Orders.

#### Postal Bulletin (PB 22667, January 23)

- Effective **April 7**, the following sections of the DMM are revised:
  - 201.7.6.2 to clarify nonstandard-parcel characteristics;
  - 201.7.6.2d to clarify that in addition to the characteristics outlined in items a. through c., other characteristics, such as parcels prepared under sections 601.3.0 and 601.4.0 with contents that may cause the parcel to roll or not maintain the integrity of the packaging during processing, are considered nonstandard;
  - 601.4.7 to remove obsolete text;
  - 601.4.8, "Difficult Load," to delete it in its entirety because the information provided in that section is included under applicable DMM sections in 601.4.0.

Although the Postal Service will not publish these revisions in the DMM until April 7, 2025, these standards are effective immediately.

- Effective **April 7**, DMM 604.9.4.10 is revised to reflect that the Postal Service no longer requires that a list of the mailing presenter's customers be on file with the Postal Service for value-added postage refunds that require the customer to submit PS Form 8096, *Request to Pay Postage Refunds to Presenter of Mail*. Although the Postal Service will not publish this revision in the DMM until April 7, 2025, these standards are effective immediately.

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.

brings more than 25 years of international logistics and operations experience to this new role. His experience includes successfully managing multimillion dollar supply chains, creating and implementing new business processes, and developing effective strategic plans. Pete has served as Senior Vice President, Transportation, at Ashley Distribution Services; Vice President, Transportation, at Univar Solutions; and Vice President, Transportation and Network Planning at XPO Logistics. He has also held director and executive-level positions at Schneider Logistics, Exel Logistics, DSC Logistics and Roadway Express.

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January 15, 2025

#### **International Service Suspension Notice**

Effective January 17, 2025, the Postal Service will suspend international mail acceptance to Myanmar and Tajikistan until further notice due to unavailable transportation. Customers are asked to refrain from mailing items addressed to the following countries, until further notice: **Myanmar, Tajikistan**. 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), 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 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](https://about.usps.com/newsroom/service-alerts/international/?utm_source=residential&utm_medium=link&utm_campaign=res_to_intl).

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January 15, 2025

#### **2025 Southern Area AIM Meeting, Tampa, Florida – Register Now!**

It's not too late, there is still time to register for the upcoming 2025 Southern Area AIM Meeting in Tampa, Florida. Use the QR codes or links below to register for the meeting and book your hotel. Registration closes on January 27th.

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January 15, 2025

#### **National Postal Forum Webinar: Why You Should Attend**

If you have never attended a National Postal Forum (NPF) or you need more information on the upcoming NPF in Nashville, TN April 27-30, 2025, please join Lindsey Taylor, Director, Industry Engagement and Outreach and Karen McCormick, Executive Director of NPF on Wednesday, February 5, 2025, from 2:00 PM to 3:00 PM EST as they host a webinar explaining the benefits of NPF – why you need to attend, and the value and the return on investment it brings to you and your company. Don't miss out on the premier mailing, shipping, and supply chain conference that provides the most comprehensive educational and networking platform available in the industry. We look forward to seeing you in Nashville! For additional information, please send an email to: [NPFFeedback@usps.gov](mailto:NPFFeedback@usps.gov). Join Zoom Meeting: Phone one-tap: US: +15033361236,,1601274225#,,,,\*296127# or +1952-229-5070,,1601274225#,,,,\*296127# . Meeting URL: <https://usps.zoomgov.com/j/1601274225?pwd=t7HyMI1JPbTVW5W0o9NBbSBMgvEnq8.1> ; Meeting ID: 160 127 4225; Passcode: 296127. Join by Telephone: For higher quality, dial a number based on your current location. Dial: US: +1 503 336 1236 or +1 952-229-5070 or +1 650-581-7094 or +1 855-860-4313 or +1 678 317 3330; Meeting ID: 160 127 4225. Passcode: 296127. International numbers.

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January 16, 2025

#### **Final Credit Claim Period Open for Mail Growth Incentives 2024**

The final postage credit claim period for Mail Growth Incentives (MGI) 2024 is now open. Registrants can now request their earned postage credits by opening their Service Request in the Mailing Promotions Portal. This final claim period closes February 28, 2025, after which USPS will no longer accept new postage credit claims for MGI 2024. All requests for review or discussion of MGI 2024 mailed volume or earned postage credits should be submitted as soon as possible to ensure finalization by February 28, 2025. Requests for adjustments will not be considered without required documentation to validate mailing details including mail ownership, volume mailed, and final postage paid. As a reminder, all approved postage credits earned from MGI 2024 must be used no later than December 31, 2025, toward qualifying mail. For those customers who earned postage credits – thank you for growing your volume and we look forward to your participation in MGI 2025. And for those who either did not earn postage credits or did not participate in MGI 2024, registration is now open for MGI 2025 to provide you the opportunity to earn postage credits this year. We look forward to working with our mailing partners to continue to grow the mailing industry.

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January 17, 2025

#### **USPS API's Services Enhancement**

We are excited to announce the upcoming deployment to enhance our USPS APIs. On January 29, 2025, we are rolling out the Blue-Green Network (two identical environments to ensure smooth transitions and minimize downtime during deployments) enhancement for USPS APIs. This enhancement is designed to improve the reliability, and performance of USPS API services, providing a seamless user experience for our customers. Key Benefits of the Enhancement: Increased Reliability: Minimized downtime and enhanced system stability during updates; Reduces Risk: Improved capacity with testing and monitoring before updates are performed; Faster Maintenance: Reduced impact on operations during system updates, ensuring continuous service availability. While there will be brief service interruptions, these outages will occur on a rolling basis across different parts of the network. This means disruptions will be minimal and not impact the entire system simultaneously. We apologize for any inconvenience. Direct any inquiries or concerns to API Support via eMail at [apisupport@usps.gov](mailto:apisupport@usps.gov). For additional information on USPS API access the <https://developers.usps.com/>. Monthly release notes documentation can be accessed on PostalPro: <https://postalpro.usps.com/usps-apis-releases>. NOTE: Delivery of packages IS NOT impacted during scheduled system events.

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January 17, 2025

#### **Upcoming USPS.com Maintenance on February 8, 2025**

USPS.com, including the Business Customer Gateway (BCG), is undergoing routine maintenance from 10 PM ET, Saturday, February 8 through 4 AM ET, Sunday, February 9, 2025. During this time, you may not be able to sign-in to your USPS.com/BCG account and payment transactions on some applications may be temporarily unavailable. We apologize for any inconvenience.

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January 17, 2024

### ***New Performance Organization to be Led by Dr. Joshua Colin; Elvin Mercado Detailed into Chief Retail and Delivery Role***

The Postal Service has created a new organization responsible for managing the coordination and operational excellence across the Processing, Logistics, and Retail and Delivery functions and Dr. Joshua Colin will lead this new organization as the Chief Performance Officer and Executive Vice President, as he brings a unique combination of leadership and operational experience to the role. As we move into year four of the Delivering for America Plan (DFA), we continue to focus on driving performance and accountability to deliver prompt, reliable, and efficient service to all communities. Since 2021, Dr. Colin has served as the Chief Retail & Delivery Officer and Executive Vice President and led the Postal Service's strategy to deliver world-class service to every American home and business and to transform Post Offices into destinations that connect and enrich communities. Reporting to the Chief Performance Officer will be: Executive Director, Operations Integration and Performance Excellence – Greg White; Director, Integrated Operations & Planning – A/Michael Calabrese. The Operations Integration and Performance Excellence team will continue to drive the strategic and tactical implementation of our network and product transformation by coordinating across groups to ensure plans are consistent with our DFA objectives and to fulfill our service and performance goals. The Integrated Operations and Planning team will manage the strategies designed to improve and enhance integrated operating plans with the post office, processing, and logistics operations leadership. This new Performance organization will allow the Postal Service to be both fiscally responsible and operationally efficient by ensuring we realize the expected benefits from the systemic changes we have made and will continue to make to our physical infrastructure. Elvin Mercado will detail to the position of Chief Retail & Delivery Officer and Executive Vice President effective immediately replacing Dr. Colin. In this role, Elvin will lead the Postal Service's strategy to deliver world-class service to every American home and business and to transform Post Offices into destinations that connect and enrich communities. He will oversee all retail and delivery operations which include 430,000 employees and more than 30,000 retail and delivery sites. Elvin will drive operational excellence across all retail and delivery operations to ensure that we efficiently deliver mail and packages to each American household and business six and seven days a week in a reliable and affordable manner.

January 22, 2024

### ***Postal Service to Sell Newly Redesigned Money Orders – Redesign Enhances Current Security Features***

The US Postal Service is introducing a new, redesigned money order. The new design will enhance already strong security features to further deter counterfeiting and other fraudulent activities. It will be released in February 2025. The current, or "legacy," postal money order [at right, top] will be sold until stock is depleted. The newly designed money order [at right, bottom] features a new bank routing number and is red, white and blue in color. It will be phased into public circulation and will eventually be available at all Post Office locations. Both designs will continue to be accepted at postal retail units and financial institutions as trusted forms of payment. Additional information is available on the Sending Money Orders page on [usps.com](https://usps.com). Security features: While the Postal Service cannot disclose every new security element, watermarks, a security thread and a Quick Response (QR) code that directs to the USPS website are some of the new features of the enhanced money order. The public can rest assured that USPS money orders are among the most secure financial instruments in the world. Additional information on money-order verification is available at [usps.com](https://usps.com) on the Sending Money Orders page under "Receiving Money Orders — How to Spot a Fake." Suspect a fake? If a customer suspects fraud, they should call the US Postal Inspection Service at 1-877-876-2455. If a customer believes that they have been given a fake money order, they should call the Money Order Verification System at 1-866-459-7822 or Check Money Order Status via [usps.com](https://usps.com).



January 22, 2025

### ***The Postal Service: We Have the Capacity to Deliver***

Through our Delivering for America investments, the United States Postal Service has built significant additional capacity into our processing, logistics, and delivery infrastructure to meet our customers' evolving needs. Expansive network facility and equipment investments as well as operational performance initiatives provide improved reliability and affordability. Daily processing capacity to approximately 60 million packages – nearly three times what we were able to process in 2020. New products implemented and forthcoming aligned to network enhancements that expand our reach nationally and regionally beyond last mile. Our carriers deliver to 169 million addresses six days a week with plenty of room in our carrier bags and vehicles to deliver your packages. Use USPS! Save Money! Save Carbon! What's Next? Stay tuned as we unveil more details about how our network can revolutionize your shipping strategy. Discover how USPS can help your business reach farther, deliver faster, and save more. Ready to increase your throughput? Check out the most compelling offer you will see in the marketplace. Contact your USPS sales representative to explore tailored shipping solutions that work for you!

January 24, 2025

### ***\*\*\*SAVE THE DATE\*\*\* Areas Inspiring Mail - Atlantic***

Thursday, March 20. The Canopy by Hilton, 975 7<sup>th</sup> St SW, Washington DC 20024. Contact: [tmkmf0@usps.gov](mailto:tmkmf0@usps.gov).

January 24, 2025

### ***Reminder: eVS Shippers to migrate to USPS Ship by February 1, 2025***

On November 28, 2023, the USPS published a *Federal Register* Notice proposing the retirement of the Electronic Verification System (eVS) program as of February 1, 2025, requiring customers to migrate to USPS Ship, Click-N-Ship, or USPS APIs. The final rule was published on April 25, 2024. This change applies to customers enrolled in eVS, Premium Forwarding Service Commercial (PFSC) and Click-N-Ship Business Pro™ (CNSBPro). Starting February 1, 2025, USPS will begin migrating shippers enrolled in eVS, PFSC, and CNSBPro to USPS Ship. The affected shippers will receive advanced notification via the email address on record regarding their scheduled migration. Customers can validate their email and make corrections under Manage Profile in the Manage Account drop-down on Business Customer Gateway. When customers using PFSC are migrated from eVS to USPS Ship, the postage payment process will remain the same. However, the reports will now be accessed through the USPS Ship reports portal instead of PostalOne!/eVS. For customers using eVS Manifest and CNSBPro, the manifest submission will remain the same, postage adjustments for weight, dimensions, packaging and misshipped are



collected/dispersed in near real-time and online reports will now be accessed through the USPS Ship reports portal, with data feed subscriptions available through IV-MTR. If you require more time to migrate from these platforms, please immediately request an extension by emailing USPS\_Ship@usps.gov with a subject line of "USPS Ship Migration Exception Request – [Insert Company Name], [Insert Company CRID]" including Company Name, CRID, List of MIDs, reason for extension and new date of migration. For more detailed information regarding these changes, please visit USPS Ship | PostalPro or reach out to the USPS Ship helpdesk via email [evs@usps.gov](mailto:evs@usps.gov). Migration Support: The Mailing & Shipping Solutions Center (MSSC) is available at 1-877-672-0007 Option #7 and option #1 and the eVS Helpdesk is available at [evs@usps.gov](mailto:evs@usps.gov) or 1-877-264-9693 option #2. Both helpdesks are available Monday - Friday, 7:00 A.M - 5:00 P.M Central Time. USPS Ship Daily Open Webinars: The US Postal Service will host daily webinars highlighting the different features of USPS Ship through this transition. Existing eVS shippers and new shippers are encouraged to join an upcoming session. Please visit PostalPro to view presentations from prior sessions. Upcoming Webinars: Monday & Wednesday are at 1:00 PM ET. Tuesday & Thursday are at 4:00 PM ET. Webinar URL: <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](https://MailersHub.com/events)

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

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**



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

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

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## USPS FINAL RULE – New Mailing Standards for Hazardous Materials Outer Packaging and Nonregulated Toxic Materials

### POSTAL SERVICE

39 CFR Parts 111 and 211

### New Mailing Standards for Hazardous Materials Outer Packaging and Nonregulated Toxic Materials

**AGENCY:** Postal Service.

**ACTION:** Final rule.

**SUMMARY:** The Postal Service is amending Publication 52, *Hazardous, Restricted, and Perishable Mail* (Pub 52 or Publication 52) by adding new section 131 to require specific outer packaging when mailing most hazardous materials (HAZMAT) or dangerous goods (DG), to remove quantity restrictions for nonregulated toxic materials, and to remove the telephone number requirement from the lithium battery mark.

**DATES:** Effective January 27, 2025. Applicable beginning January 19, 2025.

**FOR FURTHER INFORMATION CONTACT:** Dale Kennedy, (202) 268-6592, or Jennifer Cox, (202) 268-2108.

**SUPPLEMENTARY INFORMATION:** The Postal Service amends Publication 52, *Hazardous, Restricted, and Perishable Mail* (Pub 52 or Publication 52), with the provisions set forth herein. While not codified in title 39 of the *Code of Federal Regulations* (CFR), Publication 52 is a regulation of the Postal Service, and changes to it may be published in the *Federal Register*. 39 CFR 211.2(a)(2). Moreover, Publication 52 is incorporated by reference into *Mailing Standards of the United States Postal Service, Domestic Mail Manual* (DMM) section 601.8.1, which is incorporated by reference, in turn, into the *Code of Federal Regulations*. 39 CFR 111.1 and 111.3. Publication 52 is publicly available, in a read-only format, via the Postal Explorer website at <https://pe.usps.com>. In addition, links to Postal Explorer are provided on the landing page of USPS.com, the Postal Service's primary customer-facing website, and on Postal Pro, an online informational source available to postal customers.

### Summary of New Measures

The Postal Service is the sole regulatory authority for the mail but aligns with regulations within 49 CFR in some instances. Per the regulations in 49 CFR 171.1(d)(7) the Postal Service is not subject to the regulations in the *Hazardous Materials Regulations* (HMR). Due to the increase of eCommerce shipping over the last several years, HAZMAT/Dangerous Goods (DG) incidents have increased significantly. Historic postal data from 2020 through 2022, showed a significant increase in HAZMAT/DG incidents, which prompted the Postal Service to implement new policies requiring mailers to present HAZMAT/DG separately from non-HAZMAT/DG and to include HAZMAT Service Type Codes (STC) and Extra Service Codes (ESC) when packages contain HAZMAT/DG. These requirements, at least in part, resulted in a 20% reduction of overall HAZMAT/DG incidents in 2023.

Except as otherwise specified below, the Postal Service will require mailers shipping HAZMAT or DG to utilize rigid outer packaging that meets a minimum edge crush test requirement of at least 32 or 200 lbs. burst test strength for packages weighing 20 pounds or less and at least 44 edge crush test or 275 lbs. burst test strength for packages weighing more than 20 pounds. By implementing these requirements, the capability of packages to withstand normal processing and handling from induction to delivery point will be increased, reducing the overall potential for HAZMAT or DG incidents.

Previously, the uses of padded and poly bags as outer packaging were permitted only when the mailpiece contained button cell batteries installed in the equipment/device they operate. This change will now allow mailers to use padded or poly bags as outer packaging for shipments containing lithium batteries installed in the new or manufacturer refurbished equipment/device they operate when placed within in a secondary container (i.e., the manufacturer's box) that can withstand a 1.2-meter drop test, and only if they do not display and are not required to display HAZMAT text, marks or labels as provided in sections 349.221a6, 622.51f, and 622.52g of Publication 52.

The Postal Service will remove quantity restrictions for nonregulated liquid and solid toxic materials, for products such as pesticides, insecticides, and herbicides in section 346.232 of Publication 52, but any such items must be contained within outer packaging meeting the requirements of section 131 of Publication 52.

Lastly, the Postal Service will align with Pipeline and Hazardous Materials Safety Administration's (PHMSA) decision to remove the telephone number requirement from the lithium battery mark.<sup>1</sup> The Postal Service encourages mailers to switch to a mark that does not include a telephone number as soon as possible and be fully compliant by January 1, 2027.

This new rule reduces complexity and provides consistency for all customers. Therefore, the Postal Service believes this rule will provide a continued reduction in incidents and enhance the safety of our employees, our networks, and our transportation partners.

### Response to Comments

In response to the proposed rule (88 FR 86868, December 15, 2023), the Postal Service received six formal responses to the proposed changes. The comments received are as follows:

**Comment:** One commenter requested a 60-day extension to the public comment period.

**Response:** The Postal Service was unable to grant this request.

**Comment:** One commenter indicated they didn't believe outer packaging requirements should be based on the weight of hazardous materials, but instead on the total package weight and provided alternate language for new section 131.

**Response:** The Postal Service agrees with the alternate language and has incorporated it within new section 131.

**Comment:** One commenter indicated that the last sentence of proposed section 131 was very obtuse and may be misconstrued that it is applicable to item b. The commenter suggested revisions to include a new item c. and updates to items a. and b. to incorporate the revision.

**Response:** The Postal Service appreciates the feedback and understands there may be room for improvement, therefore, proposed section 131 has been revised to clarify that the lithium battery related exception is not in reference to the previous item.

**Comment:** Two commenters supported the update to nonregulated toxic materials in section 346.232 of Publication 52 but suggested removing the reference to 49 CFR 172.101 (the Hazardous Materials Table) in the proposed Publication 52 revision.

**Response:** The Postal Service appreciates the supportive comment and recommendations regarding the reference to the 49 CFR hazardous materials table. Section 346.232 has been revised accordingly.

<sup>1</sup> See Department of Transportation, Pipeline and Hazardous Materials Safety Administration, *Hazardous Materials: Harmonization With International Standards*, 89 FR 25434, 25490 (Apr. 10, 2024).



## USPS FINAL RULE – New Mailing Standards for Hazardous Materials Outer Packaging and Nonregulated Toxic Materials

**Comment:** One commenter suggested that the entire package should be reviewed for strength not just the outer layer. This commenter further suggested that a lower minimum crush test requirement be considered for pieces weighing less than three ounces.

**Response:** The Postal Service appreciates this feedback. To prevent additional complexities to the regulations, the Postal Service is moving forward with the originally proposed outer package strength requirements. Mailers who believe their packaging configuration meets the necessary strength requirements may request consideration for use of such packaging in writing to the Postal Service's Director, Product Classification.

**Comment:** Two commenters believed that setting minimum strength requirements for strong outer packaging goes beyond the requirements of the HMR and far exceeds what is necessary. In doing so, the Postal Service will increase costs to its customers and will hurt sustainability efforts.

**Response:** The Postal Service appreciates the feedback regarding the outer packaging strength requirements. However, the Postal Service believes this change is necessary to establish clear parameters for all customers, not just those customers who are well versed and trained in hazardous material shipping requirements. In the past, customers have expressed confusion when the word, "rigid" was used for outer packaging requirements. This term is open to interpretation and, for instance, some customers believe that card stock or clay-coated paper is rigid and would be sufficient as outer packaging. By clarifying and specifying the requirements, all Postal Service customers will have a clear understanding of the requirements. Many manufacturers are already constructing packaging that meets or exceeds the new outer packaging requirements, contributing to sustainability.

**Comment:** Two commenters suggested the Postal Service share aggregate reports of incidents, including the type of packaging utilized, and conduct stakeholder meetings to discuss incidents to inform the public of the challenges the Postal Service is facing during normal handling of hazardous materials.

**Response:** Aggregate incident report data has been shared in the Summary of New Measures. However, the report does not include the type of packaging utilized. Currently, the Postal Service contacts customers regarding incidents and routinely consults with them until their packaging meets current requirements. The Postal Service appreciates the suggestion to consult with the public and will consider this in future endeavors.

**Comment:** One commenter indicated that while they support the removal of quantity restrictions for nonregulated toxic materials, it is inappropriate to subject these products which do not meet the classification of hazardous materials to the same standards as those that do.

**Response:** The Postal Service has unique challenges due to the nature of its business and implements rules to address such challenges. The purpose of requiring the same outer packaging for nonregulated toxic materials as for regulated hazardous materials is due to the significant incidents some of these products have caused during postal handling. However, these products are not being subjected to the same standards as Division 6.1 hazardous materials quantity restrictions, secondary packaging, leakproof or cushioning requirements that these products were subject to prior to this rule.

**Comment:** Two commenters requested that if the Postal Service were to move forward with the proposed amendments, it should allow a minimum of one year before the changes go into effect in order to educate the downstream distribution channels on finalized requirements.

**Response:** The Postal Service appreciates this feedback. With more than 500,000 employees and more than 31,000 facilities nationwide, the Postal Service understands and shares the same challenges related to educational efforts. However, the Postal Service cannot delay implementation.

**Comment:** Two commenters indicated that setting minimum burst strength or edge crush test requirements by weight will introduce complexity in the supply chain and ultimately lead to confusion and noncompliance.

**Response:** As indicated in a previous response, the Postal Service believes setting these clear, simplistic parameters will reduce complexity and in fact provides clarity as the previous use of "rigid" requirements proved to be an area of confusion that was left open for interpretation.

**Comment:** One commenter indicated that requiring minimum burst test or edge crush test exceeds HMR and air requirements for limited quantities. Air requirements for limited quantities are more stringent and require limited quantities to be capable of a 1.2-meter drop test and 24 hours stack test. Limited quantity packages are limited to 30kgs/66lbs. gross weight by all modes of transport. The necessity to require minimum burst or edge crush test requirements is not evident and the proposal provides no justification.

**Response:** Although the Postal Service largely only accepts hazardous materials that are classified as limited quantities, there are other mailable hazardous materials that do not qualify as limited quantities. Allowing limited quantities to be exempt from the outer packaging requirement would create more complexity than the more simplistic approach taken as each material would have specific requirements.

**Comment:** One commenter indicated that large manufacturers and distributors will be unable to comply with the requirement to have different burst or edge crush tests. This is because many hazardous materials entering postal networks are part of a multimodal distribution model which must be prepared in accordance with 49 CFR, and once introduced within the postal network must comply with Pub 52.

**Response:** Large manufacturers and distributors should be well versed in handling complexities when they are preparing hazardous materials for transport as each mode of transport (e.g., air, rail, ground, vessel) has its own requirements. The Postal Service is self-regulated, and our regulations must be unique since most customers are not hazardous materials professionals.

**Comment:** One commenter indicated that UN3841, Lithium-Ion batteries contained in equipment being shipped to military destinations from a larger distribution company to a postal induction site must be marked when there are more than two packages in the consignment for this type of movement per Department of Transportation (DOT) regulations, which conflicts with Pub 52. The commenter further requested the ability to mark these packages to military destinations with the lithium battery mark.

**Response:** The Postal Service realizes the challenges larger distribution companies face regarding the mode of transportation when shipping lithium batteries contained in the equipment/device to military destinations. As indicated previously, the Postal Service is self-regulated. Military mail sent overseas receives the benefit of domestic mail pricing through associated products, however the contents are required to adhere to international rules. As an example, domestically the lithium battery mark is permitted for eligible items containing lithium batteries, whereas internationally the use of a lithium battery mark is prohibited. Therefore, these packages must not display the lithium battery mark, or they will be rejected.

**Comment:** One commenter stated that allowing the use of padded or poly bags as outer packaging for lithium batteries contained in equipment is not viable because it would cover the necessary lithium battery mark in accordance with 49 CFR and would be considered an overpack according to 49 CFR.

**Response:** The commenter may misunderstand the intent of the padded or poly bag outer packaging. The allowance for the padded or poly bag as outer packaging in the proposed rule specifically stated "... the Postal Service proposes to allow mailers to use padded or poly bags as outer packaging for shipments containing lithium batteries installed in the equipment, they operate that are not required to display and do not display hazardous text, marks or labels ... ." The purpose of this allowance is specifically for international mail, including our deployed military personnel, as manufacturer boxes often provide a detailed description of the contents and that there are batteries within the package. The policy for mailing lithium batteries to these destinations states there cannot be any marks or labels indicating the contents are lithium batteries. Often, such manufacturer boxes are intercepted at our international service centers and returned to the mailer.

## USPS FINAL RULE – New Mailing Standards for Hazardous Materials Outer Packaging and Nonregulated Toxic Materials

**Comment:** One commenter indicated that proposing a more rigid standard than required by 49 CFR for road or rail transport or as required by the International Air Transport Association (IATA) would further the inconsistency between the HMR and Pub 52. They further indicated that training employees to comply with different requirements and determine the transport mode for products is unrealistic and cost prohibitive and would render the Postal Service impractical in the distribution chain.

**Response:** With more than 500,000 employees and more than 31,000 facilities nationwide, the Postal Service understands and shares the challenges that training employees brings to an organization. The broad Postal Service customer base requires the Postal Service to accommodate everyone regardless of their level of HAZMAT/DG understanding. The outer packaging change is necessary to provide clarity about HAZMAT packaging requirements, which ultimately increases the level of safety for everyone.

**Comment:** One commenter stated that packaging and marking/labeling of products classified as hazardous materials are determined at the time of packaging and preparation for retail sales and at that point shippers do not know the destination address or movement type for these products. An application of multiple different packaging requirements is impossible and there is simply no way to comply with multiple standards and requirements for the same product based upon the final distribution method. This commenter urges the Postal Service to consider the impact to the industry in adopting these requirements and apply a more holistic approach to further harmonize with the HMR. The commenter estimated annual training cost of \$6,480,000 per year to comply with these various requirements.

**Response:** As previously stated, the Postal Service understands and shares the same challenges related to training employees within large organizations. The broad Postal Service customer base requires it to accommodate everyone regardless of their level of HAZMAT/DG understanding.

**Comment:** One commenter opposed allowing the use of poly or padded mailers as outer packaging for lithium batteries contained in equipment due to the challenge of training employees to differentiate between overpacks and covering items with poly mailers without identifying them as hazardous materials. Since the Postal Service doesn't recognize overpacks, employees trained in the HMR would have confusion with applying requirements for overpacks when transported under the HMR versus within postal networks under Pub 52.

**Response:** The poly/padded mailer exception is not intended for use on packages that must display a lithium battery mark or label. Doing so would be considered purposely not declaring these items as hazardous material and could lead to civil penalties.

**Comment:** One commenter questioned the Postal Service's decision to include the drop test height of 1.7 meters. Hazardous materials mailed under Pub 52 can only be mailed in limited quantities and the HMR does not require testing on packages for limited quantities, it requires strong outer packaging. For air transport, section 2.7.6.1 of IATA's Dangerous Goods Regulations requires a limited quantity packaging to be capable of withstanding a 1.2-meter drop test. In 49 CFR 173.185(c)(2), the drop test is not applicable to lithium batteries contained in equipment and states that they must be packaged in strong, rigid outer packaging "unless the cell or battery is afforded equivalent protection by the equipment in which it is contained."

**Response:** The Postal Service originally included the 1.7-meter drop test height requirement due to the highly mechanized environment within the postal network. After careful consideration of the comments and continuing efforts to protect our air transportation networks, the Postal Service has decided to change the drop test requirement to 1.2-meters.

**Comment:** One commenter stated that setting minimum burst test or ECT requirements for outer packaging may appear to be a simple solution to ensure safe transport of HAZMAT but setting the minimum at 200 lb. burst test or 32-edge crush test for packages weighing 20 pounds or less and 275 lb. burst test or 44-edge crush test for packages weighing more than 20 pounds far exceeds what is necessary. These proposed minimum requirements will increase costs to Postal Service customers looking to transport good and impact sustainability efforts for companies trying to minimize the use of packaging materials.

**Response:** As previously indicated, the increase in eCommerce shipping has led to increased HAZMAT/DG shipping, which led to increased HAZMAT/DG incidents in the mail. The Postal Service is not a manufacturer of shipping/packaging containers or in the business of testing them. It is our hope that our customers would appreciate our commitment to safety and understand our reasons for taking a more simplistic approach to the outer packaging requirements for HAZMAT/DG. Lastly, the Postal Service is committed to sustainability, the requirement is for the strength of the box. There are no prohibitions against mailers using sustainable outer packaging if it meets the applicable strength requirements.

**Comment:** One commenter believes the packaging proposed in this new section can be readily met by those who ship hazardous materials through the Postal Service's network, and that the required packaging is available from packaging suppliers and would help ensure the safety of these hazardous materials.

**Response:** The Postal Service appreciates the support and agrees the packaging proposed will increase the level of safety for handling and transporting hazardous materials packages and it is easy to obtain.

**Comment:** One commenter indicated that Pub 52, section 349.221(a)(5)(c), requires the inclusion of a telephone number and indicated that the United Nations Committee of Experts on the Transport of Dangerous Goods and on the Globally Harmonized System of Classification and Labeling of Chemicals adopted changes to the UN Model Regulations that removes the telephone number requirement as part of the lithium battery mark. The commenter recommended that the Postal Service also remove the telephone number requirement for the lithium battery mark from its regulations to maintain harmonization with both international and domestic regulations.

**Response:** The Postal Service appreciates this input and is making the necessary changes within Pub 52 to align with this global change by removing the telephone number requirement from the lithium battery marking.

Kevin Rayburn,

Attorney, Ethics & Legal Compliance.

The Postal Service adopts the following changes to Publication 52, *Hazardous, Restricted, and Perishable Mail*, incorporated by reference into *Mailing Standards of the United States Postal Service, Domestic Mail Manual* (DMM) section 601.8.1, which is further incorporated by reference in the *Code of Federal Regulations*. 39 CFR 111.1 and 111.3. Publication 52 is also a regulation of the Postal Service, changes to which may be published in the *Federal Register*. 39 CFR 211.2(a). Accordingly, for the reasons stated in the preamble, the Postal Service amends Publication 52 as follows:

### Publication 52, Hazardous, Restricted and Perishable Mail

#### 1 Introduction

\* \* \* \* \*

#### 13 Additional Information

[Add new section 131 to read as follows:]

## USPS FINAL RULE – New Mailing Standards for Hazardous Materials Outer Packaging and Nonregulated Toxic Materials

### 131 Hazardous Materials Outer Packaging

Except as otherwise specified, rigid outer packaging must be used for shipments containing hazardous materials. Outer packaging, as defined in Appendix D, is the outer most enclosure that holds the primary receptacle, and if applicable, secondary container/packaging, absorbent and/or cushioning material. When shipping hazardous materials, the following outer packaging is required:

- (a) Mailpieces containing hazardous materials weighing 20 pounds or less (except for item c.), must use outer packaging rated at 200 lb. burst test or 32-edge crush test strength or equivalent, at minimum.
- (b) Mailpieces containing hazardous materials weighing more than 20 pounds (except for item c.), must use outer packaging rated at 275 lb. burst test or 44-edge crush test strength or equivalent, at minimum.
- (c) Lithium batteries installed in the equipment/device they operate that are permitted to be mailed under sections 349 and 622 may utilize padded or poly bags as outer packaging, provided they are within a secondary container (i.e., original manufacturer's box) that can withstand a 1.2-meter drop test before being placed inside the padded or poly bag. These items must meet the following requirements:
  1. The equipment/device must be new, or manufacturer refurbished.
  2. The lithium batteries are afforded adequate protection by the equipment/device.
  3. The outer packaging does not display, and is not required to display hazardous text, markings or labels as permitted in 349.221a6, 622.51f and 622.52g.

Note: USPS-Produced packaging must not be utilized for shipping mailable hazardous materials. See DMM 601.6.1.

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### 3 Hazardous Materials

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### 32 General

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### 325.3 Mailable Warning Labels

*[Replace lithium battery mark with the following image in Exhibit 325.3a]*

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### 34 Mailability by Hazard Class

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### 346 Toxic Substances and Infectious Substances (Hazard Class 6)

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### 346.232 Other Nonregulated Toxic Materials

*[Revise paragraph to read as follows:]* Liquids and solids such as pesticides, insecticides, herbicides, and irritating material (346.11e), that do not meet the classification criteria of a hazardous material under 49 CFR 172.101 with an oral LD50 value greater than 300 mg/kg are mailable but must be packaged in rigid outer packaging (see 131) and be able to withstand normal transit and handling. Liquids must also follow the conditions provided in 451.3a.

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### 349 Miscellaneous Hazardous Materials (Hazard Class 9)

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*[Insert new 349.221 to read as follows:]*

### 349.221 Lithium Batteries

General. The following applies to the mailability of all lithium batteries:

1. Each cell or battery must meet the requirements of each test in the UN Manual of Tests and Criteria, part III, and subsection 38.3 as referenced in 49 CFR 171.7.
2. Lithium battery outer packaging must be rigid (see 131), sealed and of adequate size.
3. The use of padded or poly bags as outer packaging is permitted only when:
  - a. Mailpieces contain lithium batteries properly installed in the equipment/device they intend to operate.
  - b. The equipment/device must be new or manufacturer refurbished.
  - c. The batteries are afforded adequate protection by the equipment/device, and
  - d. The secondary container (e.g., original manufacturer box), containing the equipment or device prevents damage and accidental activation, can retain the device without puncture of the packaging under normal conditions of transport and can withstand a 1.2-meter drop test. Button cell batteries, meeting the classification criteria in 349.11d, installed in the device they operate are not required to be within a secondary container that can withstand a 1.2-meter drop test prior to utilizing a padded or poly bag as outer packaging.
  - e. The outer package containing batteries does not display, and is not required to display hazardous materials text, marks, or labels.
4. All outer packages must have a complete delivery and return address.
5. Lithium battery marks are required on mailpieces containing 5 to 8 lithium cells installed in the equipment/device they operate.
  - a. The marks must be applied to the address side without being folded or applied in such a manner that parts of the mark appear on different sides of the mailpiece. See 325.1.
  - b. The mark must be a DOT-approved lithium battery mark, as specified in 49 CFR 173.183(c)(3)(i) and Exhibit 325.2a.
  - c. Lithium metal cells or batteries must be marked with UN3090.
  - d. Lithium metal cells or batteries installed in or packed with the equipment/device they intend to operate must indicate UN3091.
  - e. Lithium-ion cells or batteries must be marked UN3480.
  - f. Lithium-ion cells or batteries installed in or packed with the equipment/device they intend to operate must indicate UN3481.
6. Lithium battery marks are not required on packages:
  - a. Containing only lithium button cell batteries installed in the equipment/device they operate; or
  - b. Containing no more than 4 lithium cells or 2 lithium batteries installed in the equipment/device they operate.



## USPS FINAL RULE – New Mailing Standards for Hazardous Materials Outer Packaging and Nonregulated Toxic Materials

7. All used, damaged, or defective electronic devices with lithium cells or batteries contained in or packed with device (excluding electronic devices that are new in original packaging, and manufacturer-certified new or refurbished devices) must be marked with the text “Restricted Electronic Device” and “Surface Transportation Only” on the address side of the mailpiece.

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*[Renumber existing section 349.221 to 349.222]*

### **349.222 Lithium Metal (Nonrechargeable) Cells and Batteries – Domestic**

*[Revise item a. as follows:]*

- a. General. The following restrictions apply to the mailability of all lithium metal (or lithium alloy) cells and batteries:

1. Each cell must contain no more than 1.0 gram (g) of lithium content per cell.
2. Each battery must contain no more than 2.0 g aggregate lithium content per battery.

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*[Renumber existing section 349.222 to 349.223]*

### **349.223 Lithium-Ion (Rechargeable) Cells and Batteries – Domestic**

*[Revise item a. as follows:]*

- a. General. The following additional restrictions apply to the mailability of all secondary lithium-ion or lithium polymer cells and batteries:

1. The watt-hour rating must not exceed 20 Wh per cell.
2. The watt-hour rating must not exceed 100 Wh per battery.
3. Each battery must bear the “Watt-hour” or “Wh” marking on the battery to determine if it is within the limits defined in items 1 and 2.

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## **62 Hazardous Materials: International Mail**

### **621 General Requirements**

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*[Insert new section 621.2 and renumber existing 621.2 through 621.4 as 621.3 through 621.5]*

### **621.2 Outer Packaging Requirements**

Except as otherwise specified, rigid outer packaging must be used for shipments containing dangerous goods following the instructions in 131.

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## **Appendix C**

USPS Packaging Instruction 9D

*[Revise third bullet in the Required Packaging section to read as follows:]*

Required Packaging

Lithium Metal and Lithium-Ion Batteries

Lithium batteries permitted to be mailed under section 349, that are installed in the device they operate, are afforded adequate protection by that equipment/device, and do not display hazardous text, markings or labels as permitted in 349.221a6, 622.51f and 622.52g may utilize padded and poly bags as outer packaging provided the device is within a secondary container (i.e., original manufacturer's box) that can withstand a 1.2-meter drop test. Button cell batteries, meeting the classification criteria in 349.11d, installed in the device they operate are not required to be within a secondary container that can withstand a 1.2-meter drop test prior to utilizing a padded or poly bag as outer packaging.

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Markings

*[Delete item 4., renumber existing number 5 to number 4 in section:]* Lithium metal batteries properly installed in the equipment they are intended to operate: \* \* \*

*[Delete item 3. and renumber item 4. to 3. In section:]* Lithium metal batteries packed with the equipment/device they are intended to operate: \* \* \*

*[Delete item 3. and renumber item 4. to 3. In section:]* Lithium metal batteries not packed with or installed in equipment/device (individual batteries: \* \* \*

*[Delete item 3. and renumber item 4. to 3. In section:]* Lithium-ion batteries properly installed in the equipment/device they are intended to operate: \* \* \*

*[Delete item 4. and renumber item 5. to 4. In section:]* Lithium-ion batteries packed with the equipment/device they are intended to operate: \* \* \*

*[Delete item 3. and renumber item 4. to 3. In section:]* Lithium-ion batteries not packed with or installed in equipment/device (individual batteries: \* \* \*

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USPS Packaging Instruction 9E

*[Insert new second bullet in the Required Packaging section to read as follows:]*

Required Packaging

Lithium Metal and Lithium-Ion Batteries

Lithium batteries installed in the device they operate, that are permitted to be mailed under section 622.5, may utilize padded and poly bags as outer packaging provided the device is within a secondary container (i.e., original manufacturer's box) that can withstand a 1.2-meter drop test. Button cell batteries, meeting the classification criteria in 349.11d, installed in the device they operate are not required to be within a secondary container that can withstand a 1.2-meter drop test prior to utilizing a padded or poly bag as outer packaging.

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## **Appendix D**

Hazardous Materials Definitions

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*[Revise definition of Rigid to read as follows:]* Rigid means unable to bend or be forced out of shape; not flexible. Rigid outer packaging is generally interpreted to mean a fiberboard (cardboard) box or outer packaging of equivalent strength, durability, and rigidity. See 131.

\*\*\*\*\*