Mailers Hub



The information source for commercial mailers

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Latest CPI Pushes July Increase; Future Increases Previewed

Some day early next month, the Postal Service will submit a price change filing to the Postal Regulatory Commission seeking to impose higher prices likely to be effective July 13. The exact dates could change; final calculations need to be completed, the lawyers need to review the filing, and, of course, anything not approved earlier needs to be reviewed and sanctioned by the governors of the USPS.

What is known is that the filing needs to occur before the March CPI is released by the Bureau of Labor Statistics on April 10. Filing after that date would require recalculation of the CPI component of the proposal and use of a different formula to determine the related rate authority.

Regardless, once the BLS released the February CPI on March 12, the Postal Service's rate authority could be defined based on the known factors contributing to a proposed increase:

- Accumulated 12-month CPI-based rate authority: 2.915%
- Unused rate authority after the previous (July 2024) increase:

Class	Unused Authority
First-Class	0.000%
Marketing	0.000%
Periodicals	0.000%
Package Services	0.000%
Special Services	0.000%

- "Density" additional rate authority: 2.165%
- "Retirement" additional rate authority: 2.305%
- "Non-Compensatory" additional rate authority: 2%

These factors establish most of the total USPS rate authority:

Class	СРІ	Bank	Density		Non-com- pensatory	Total
First-Class	2.915%	0.000%	2.165%	2.305%	n/a	7.385%
Marketing	2.915%	0.000%	2.165%	2.305%	n/a	7.385%
Periodicals	2.915%	0.000%	2.165%	2.305%	2.000%	9.384%
Package Svcs	2.915%	0.000%	2.165%	2.305%	n/a	7.385%
Special Svcs	2.915%	0.000%	2.165%	2.305%	n/a	7.385%

But ... the "density" and "retirement" adders that were calculated by the USPS after the end of FY 2024 need to be confirmed by the PRC in the Annual Compliance Determination due to be issued by the end of March; however, if history repeats, there would be no changes.

Yet to be finalized is the additional rate authority related to credits earned and used by ratepayers participating in the calendar year 2024 Mail Growth Initiative Program. As was explained at the recent meeting of the Mailers Technical Advisory Committee, the applicable ratesetting rules allow the USPS to recover the value of the MGI credits used in a subsequent price filing. As a result, in addition to the rate authority already noted, the increases for First-Class Mail and Marketing Mail proposed in the anticipated April filing will have approximately an additional 0.6% and 2.2%, respectively, yielding 7.985% and 9.585% total authority for those classes, respectively.

Effective Price Increase in July 2025

- This price cap methodology is commonly applied for promotions, container discounts, and incentives for marriage mail and catalogs
- There is often a lag: regulations require that actual usage data is applied when factoring into cap calculation, available after the discount is implemented
- · When a discount ends the effective price increase is reflected in the cap calculation
- Through the 2024 Mail Growth Incentive Program (MGI) customers earned an effective 0.6% (\$153M) First-Class Mail and 2.2% (\$381M) Marketing Mail (\$534M total) price reduction in the form of postage credits
- This creates an additional 0.6% of cap space for First -Class Mail and 2.2% for Marketing Mail to increase prices that meet total authorized rate authority* The final cap space will likely be lower based on final credits claimed

*Creating cap space is consistent with the PRC Order No. 8708 issued on 2/19/25, Docket RM2020-5. Supportive public comments were submitted by all 4 commenters: USPS, 2 mailing associations, and public representative. This additional cap space can be used in whole or in part (i.e. barked).

The Postal Service does not have to use all available rate authority in a price change filing; the unused amount can be "banked" for future use. However, given Postmaster General Louis DeJoy's aggressive search for every penny of revenue, it's likely he will urge the governors to propose rate increases accordingly.

As has always been the case, 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 and discounts are among the many additional influences shaping the prices within a class; changes to individual rate cells will vary, but the total revenue derived still must stay within the Postal Service's rate authority for the class.

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Aside from how other factors might change, the "retirement" adder won't be a concern next year; the adder was authorized in November 2020 for only five years, so the July 2025 price increase will be the last one where it would be available. Otherwise, the forecast is for moderate influence from the CPI but a more significant "density" adder.

As is often the case when a price change is filed, the April filing will include classification and structural changes. Those were explained at the recent meeting of the Mailers Technical Advisory Committee (and were summarized in the February 24 issue of Mailers Hub News.)

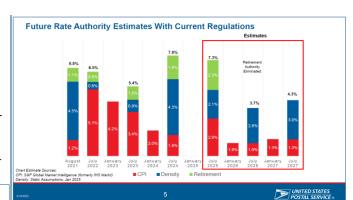


The USPS also discussed the promotions it will propose to be available later this year and in 2026.



Looking ahead

At that meeting, the Postal Service gave insight into likely rate increases in January and July 2026 and January and July 2027, as well as classification and structural changes being considered for inclusion in the January 2026 price change, likely to be filed in early October 2025.



January 2026 Structural Changes

Elimination of Area Distribution Center Rates: There is no value associated with presorting mail at the ADC level, therefore Labeling Lists for ADC and SCF preparation will align soon. Rates will be eliminated in First-Class Mail, Marketing Mail, and Periodicals.

Elimination of Network Distribution Center Presort Rates: With the completion of the NDC unwind initiative, there is no value to presorting mail for NDC facilities. Rates will be eliminated in the Marketing Mail Parcels rate structure.

Introduce Zone-Based Pricing: Introduce a zone-based price structure for Marketing Mail and Periodicals Origin-entered mail. These zones will be defined based on Leg 2 service standard bands. Prices for DSCF and DDU-entered mail will continue but origin presorted prices will be segregated into 4 zones (and mixed a flat rate price).

Simplify and Align Periodicals Price Structure: The current Periodicals rate structure is unique and complex, requiring the application of multiple rates for a single mail piece. Periodicals rates will be aligned to resemble the Marketing Mail rate structure to streamline and simplify postage calculation. Rates for Advertising/Editorial, as an example, will remain

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Proposed Mail Zone Structure

A. Origin RPDC less than 7 hours from DLPC (Proposed 2-day service for FCM)

B.Origin RPDC between 7-24 hours from DLPC (Proposed 3-day service for FCM) C.Origin RPDC between 24-45 hours from DLPC (Proposed

Marketing Mail and Periodicals Zone-Based Prices

CURRENT STATE

JANUARY 2026 PROPOSAL

RETAIN DROPSHIP INCENTIVES Retain dropship incentives and prices for DSCF and DDU entry. Change discount for DDU to be based on the transportation avoided from DSCF, not Origin. DSCF discount will be priced cheaper than Origin.

ZONED ORIGIN PRESORT PRICES Introduce 4 zone-based origin entry prices. Pric reflect distance from origin RPDC entry to destination LPC. Prices more aligned to actual mileage and better reflect value of service provi es. Prices

FLAT RATE PRICE FOR MIXED MAIL

4-day service for FCM) D.Origin RPDC greater than 45 hours from DLPC (Proposed 5-day service for FCM)

There is a need to further align pricing to actual transportation distance and costs

Provide a simple, flat-rate price for orig

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Periodicals Price Simplification

The Postal Service seeks to **improve the customer experience** by creating a rate structure where it is **simple** to determine the total cost of postage for a given mailing or an individual piece of mail.

- The Periodicals rate structure is overly complex and specialized, where the total postage for one Periodicals piece is determined by summing prices associated with the content, sortation, dropshipping, barcoding, bundling, and container type
- The Postal Service proposes to move to a simplified rate structure that aligns closer to the Marketing Mail rate structures
- The structure would primarily include piece and pound prices, with discounts for efficient container preparation, dropshipping, and presortation. Will continue to offer legally mandated rates such as Science of Agricuture, Classroom, Non-Portit, Editorial, and Advertising
- The rate simplification effort will have a revenue-neutral result and meet price cap constraints · Final prices to be proposed at a later date for January 2026

25 25

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As is always applicable, the content and timing of a price filing - and any related classification changes - are always subject to approval by the Governors of the Postal Service, though it's highly unlikely that any prices or other changes advocated by postal management would be rejected.

Regardless of how the process works, paying ever-higher prices won't get any easier.

DeJoy Turns to DOGE for Help – Analysis

In a three-and-a-half page letter sent March 13 to the leadership of the House and Senate and the respective committees with USPS oversight, Postmaster General Louis DeJoy recited – again – the many faults he found with the agency when he arrived, and listed seven areas in which his 10-year Plan has led to "impactful" accomplishments.

The task list

In the middle of the third page, he informed the readers that he has engaged the president's Department of Government Efficiency to help him tackle challenges outside his direct control. That portion of the letter stated:

"Last night I signed an agreement with the General Services Administration and DOGE representatives to assist us in identifying and achieving further efficiencies. This is an effort aligned with our efforts, as while we have accomplished a great deal, there is much more to be done. We are happy to have others to assist us in our worthwhile cause. The DOGE team was gracious enough to ask for the big problems they can help us with. Among other initiatives, I provided the following list of items that are in your hands and that have been intractable even though they have needed to be addressed for over a decade. Please review the following:

- The mismanagement of our self-funded retirement assets and the actuarial miscalculations of our retirement obligations.
 These work functions reside with the Office of Personal Management and the Treasury Department based on legislation enacted by the Congress. They result in several billion dollars a year in burdensome additional charges not common in private industry.
- The mismanagement of our Workers' Compensation Program resulting in approximately\$ 400 million dollars a year in excessive charges when compared to private industry practices. These work functions reside with the Department of Labor and are legislated by the Congress.
- The unfunded mandates imposed on us by legislation. These well-intended laws that have been passed since we were created as a self-funding agency for the most part require the Postal Service to perform costly activities without providing any supporting funding. In the private industry context, this would be like UPS or FedEx providing services to the Federal Government without charging for them. This amount is estimated to cost between \$6 billion and \$11 billion annually. As you know, Congress is responsible for passing legislation without appropriate funding.
- Our burdensome regulatory requirements restricting normal business practice. The Postal Regulatory Commission is an unnecessary agency that has inflicted over \$50 billion in damage to the Postal Service by administering defective pricing models and decades old bureaucratic processes that encumber the Postal Service. They have an anachronistic view of the Postal Service's current business environment, they have failed to change as the times and the postal economy has changed, and they therefore stand in the way of the timely and necessary changes required to succeed as a self-funded enterprise in a competitive environment-which is what the Postal Service needs to do to survive."

Observations

The four items on to-do list DeJoy gave to DOGE – and that were publicly disclosed – are of variable merit.

Resolving the years-long debate over the Postal Service's retirement funds – whether they're overfunded by billions or underfunded by billions – has been ducked by the other federal

agencies involved, all claiming their positions were unalterable without legislation. Therefore, leveraging DOGE to get action from Congress may seem desirable, but there's no guarantee that the result would be a recalculation in favor of the USPS; the current political thinking might not want the Treasury to refund billions to the USPS.

Similarly, although the Postal Service's accounts in the US Treasury are invested very conservatively, with almost no risk, and though those funds might grow more if invested in other publiclytraded markets, the related risk might cause second-thoughts for politicians disinterested in adversity occurring on their watch, or because of their decisions.

- The complaint about workers' comp reflects DeJoy's dislike for it not being within his control. Of course, he *can* control safety training and safer employee practices that would reduce the injuries leading to worker' comp claims, but DeJoy prefers to find fault with how the system works instead. It's true that the monthly fluctuations in the workers' comp liability can be large, and – as he quickly points out – can adversely impact USPS finances, but it can also swing to his favor – and he's silent when it helps his bottom line.
- Since he's been at the Postal Service, Louis DeJoy has never openly criticized the universal service obligation or highlighted the problematic mandate to both provide expected public services while being financially self-supporting. The issue here may well be how he would resolve the matter – by his likely solution – removing the mandates – or the more service-focused solution – Congressional funding for mandated public services. DeJoy also complains about six-day delivery without acknowledging his support for its codification in the 2022 Postal Reform Act. Regardless, it's questionable whether even DOGE can get legislators to enact any measure that would reduce universal access to postal services, enable the closure of unprofitable post offices, or impact unionized postal carriers by permitting fewer delivery days.
- Louis DeJoy also has never accepted that the USPS is a statutory monopoly, and that its monopoly power is appropriately limited by a regulator. His allegations about the PRC inflicting "over \$50 billion in damage" – money he presumably could have raised through postage rates had he been able to price postal products and services as he wishes – simply reflects his rejection of any regulation over monopoly power in the marketplace. Accordingly, DeJoy continues to complain about the "defective pricing model" established in 2006 that sought to force the USPS to control its costs and survive financially on CPI-capped postage rates. The agency's current financial mess reflects its failure to control costs – primarily for labor – but also is another testament to the increasingly expensive – and unfunded – universal service mandate. In that regard, complaining about the PRC or the ratesetting system is barking up the wrong tree.

Meanwhile, DeJoy remains convinced that investing billions in infrastructure changes and hiring thousands of permanent fixed-schedule employees is prudent – and can be supported by postage revenue – even as mail volume declines and package volume falters. Moreover, his solution – that the agency can become a major player in the package business – glibly overlooks that the private sector is much more nimble than the USPS and unlikely to simply step aside so DeJoy can muscle his government agency into their business arena.

DeJoy and DOGE can turn to Congress but shouldn't expect quick compliance. Legislators on both sides of the aisle, keen to curry favor with voters, readily issue mandates to agencies, but are loathe to spend the money to pay for them.

In Letter to Congress, DeJoy Clarifies DOGE Requests

Postmaster General Louis DeJoy's March 13 letter (discussed in the preceding article) apparently caused enough concerned reaction that he wrote a second letter to Congress on March 17 trying to explain further. After a page-and-a-half of his usual complaints and comments, he got to the point:

"Concerning the agreement with the DOGE/GSA team, we will, as required, keep you informed of the initiatives in which we have asked the team to engage, as well as any changes in those initiatives as we move forward with the directed engagement. In addition, as you read these initiatives, please understand that resolution of them must occur no matter the structure the Postal Service takes in the future. To that end, please review a more detailed description and listing of the activities for which I have sought their help.

- Retirement Plans: The mismanagement of our self-funded retirement assets and the actuarial miscalculations of our retirement obligations. These work functions reside with the Office of Personnel Management and the Treasury Department based on legislation enacted by the Congress. They result in several billion dollars a year in burdensome additional charges not common in private industry and include:
- CSRS Correction and Revaluation A retroactive adjustment to the allocation between the Federal government and USPS shares of CSRS benefit payments for employees that worked for both the Post Office Department and that Postal Service that would result in a transfer of \$153.6 billion using the years-of-service method.
- Investing Pension and RHB Assets A 2023 USPS OIG study found that had assets been invested in the market, the pension assets would be over \$900 billion more than under the current Treasuries investment, significantly reducing our annual costs.
- OPM Mis-billing: USPS is formally appealing four of the assumptions that OPM uses for calculating the pension liabilities, and therefore the amortization expenses, for the Postal Service each year. If recommended assumptions are adopted, it would result in a \$13.5 billion reduction in FY2023 FERS liabilities, reducing our annual expense by \$1.5 billion.
- Workers Compensation Costs: The mismanagement of our Workers' Compensation Program resulting in approximately \$400 million dollars a year in excessive charges when compared to private industry practices. These work functions reside with the Department of Labor and are legislated by the Congress. The USPS OIG released a report in 2023 that looked at adopting private sector best practices with regards to workers' compensation.
- Unfunded Congressional Mandates: The unfunded mandates imposed on us by legislation. These well-intended laws that have been passed since we were created as a self-funding entity for the most part require the Postal Service to perform costly activities without providing any supporting funding. In the private industry context, this would be like UPS or FedEx providing services to the federal government without charging for them. This amount is estimated to cost between \$6 billion and \$11 billion annually. As you know, Congress is responsible for passing legislation without appropriate funding.
- Regulatory Requirements: Our burdensome regulatory requirements restricting normal business practice and speed to market. The Postal Regulatory Commission is an unnecessary agency that has inflicted over \$50 billion in damage to the Postal Service by administering defective pricing models and decades old bureaucratic processes that encumber the Postal

Service. They have an anachronistic view of the Postal Service's current business environment, they have failed to change as the times and the postal economy has changed, and they therefore stand in the way of the timely and necessary changes required to succeed as a self-funded enterprise in a competitive environment which is what the Postal Service needs to do to survive.

- Retail Center Lease Renewals: Review of our leases on almost 31,000 retail centers and the future difficulties we will face in their renewal because of ownership consolidation, urban development, and general increases in rental rates when decades long leases expire, and where landlords are well aware of the political difficulties we face when moving or consolidating a retail location even when approximately half of our current retail Post Offices fail to cover their cost of local operations. Future lease renewals be even more difficult to support financially.
- Leveraging Postal Infrastructure for Federal Agencies: Our role in providing services to other federal agencies in areas where our retail locations, logistics, delivery services, vehicles, infrastructure, stocking locations, and resilience can assist these agencies at a substantially reduced cost and enhance our profitability. I believe there are billions of dollars annually that will benefit us and significantly reduce government-wide cost.
- **Counterfeit Postage:** We are combating an estimated one-billion-dollar problem with counterfeit postage. While we have implemented several technological and physical intervention measures, additional innovative solutions are needed to address this ongoing issue. A review of our process and any additional out of the box thinking would be helpful."

After the end of his list, DeJoy chose to criticize Congress for not correcting the situations he listed earlier:

"... Now, as leaders in Congress, it probably has not escaped your notice that several of the identified initiatives require legislative action. We do not have the authority to change laws or employee benefit accounting or the way our pension assets are invested, yet these intractable issues heavily burden our balance sheet and our operating costs and fly in the face of the legislative requirement that we cover our costs by competing for our revenue in the marketplace. This has long been the hypocrisy of the Congressional demand for service expansion and the concurrent demand for profitability. My efforts to address these financial burdens to the organization are aligned with my promise to Congress to achieve break-even financial status through these critically needed reforms along with the self-help initiatives of DFA. I can assure you they are not, as some have suggested, intended surreptitiously to make the organization more suited to privatization, nor do they constitute a "bailout" of any kind. These reforms, which have always been directly reflected in the DFA Plan which is free for anyone to read, would correct egregious, nearly incomprehensible mistakes made by your predecessors in decades past. ..."

How Congress will react remains to be seen but, whether his arguments are valid or not, and whether the PRC and Congress are the impediments he portrays them to be, some observers would allege he makes two mistakes.

First, with conservative government seeking to cut spending, he might not want to cite potentially billions in outflow from the Treasury if his desired remedies were realized.

Second, perhaps most important, DeJoy can't help himself from finding fault with whomever disagrees with him, and then poking in the eye the legislators whose help he seeks. This lack of tact and fundamental business diplomacy will not help him or the achievement of his goals.

PRC Rebuts DeJoy's Claim it's "Unnecessary"

The Postal Regulatory Commission wasted little time responding to Postmaster General Louis DeJoy's claim in his March 13 letter (see p. 2) that it's an "unnecessary agency." In a press release issued later that day, the commission said:

"The Postmaster General's statements about the Postal Regulatory Commission's role during the recent mismanagement of USPS are false. The Commission follows the law to ensure that USPS provides universal service to all Americans, including those in rural and remote locations, and also safeguards fair competition in package markets by preventing the Postal Service from abusing its monopoly position. The price cap the Postmaster General has complained about for years was established by law, not by the Commission. Once the Commission had the legal authority to change the price cap, the Commission gave USPS significantly more pricing freedom. Combined with the 2022 law passed by Congress, the Postal Service received over \$100 billion in financial assistance.

"So far, the Delivering for America Plan (DFA) has wasted that help, losing more money for the Postal Service (a \$9.5 billion loss in FY 2024), making USPS less efficient, and collapsing service, especially for rural Americans. On April 1, USPS is planning to amplify that negative impact on rural areas by deliberately slowing mail to thousands of rural communities nationwide. The Postmaster General has also tried to ignore USPS' traditional role in mail delivery while expanding the role of the government in the

More Legislation Filed to Stop RTO

Another proposal has been filed to limit Postmaster General Louis DeJoy's plans to consolidate facilities and end afternoon collections from most of the nation's post offices. HR 2103, the *Protect Postal Performance Act*, was filed March 14 by Rep Nikki Budzinski (IL 13th) with four bipartisan cosponsors (Reps Harriet Hageman (WY At-Large), Jared Golden (ME 2nd), Jack Bergman (MI 1st), and Chris Pappas (NH 1st)) and referred to the House Committee on Oversight and Government Reform. The pertinent sections of the bill:

"SECTION 1. SHORT TITLE.

This Act may be cited as the 'Protect Postal Performance Act.'

"SEC. 2. LIMITATION ON CLOSURE AND CONSOLIDATIONS OF POST OFFICES.

Section 404(d) of title 39, United States Code, is amended — (1) in paragraph (4)—

- (A)by striking 'The Postal Service' and insert '(A) The Postal Service'; and
- (B)by adding at the end the following:

'(B) During such 60-day period, the Postal Service shall carry out a public hearing on the closure or consolidation, which may be attended in-person or virtually by any members of the public affected by the closure or consolidation. '(C) Not later than 7 days after such hearing, the Postal Service shall publish a summary of the hearing on the Postal Service's public website, and include in such summary a description of any comments made or otherwise submitted at such hearing and the percentage of such comments that were in support or against the closure or consolidation.

'(D) Notwithstanding any other provision of this title, the applicable post office may not be closed or consolidated until the date that is 180 days after the date the summary is published under subparagraph (C).'; and

(2) by adding at the end the following:

competitive package market, a strategy which has failed miserably to this point. DFA's failures have received bipartisan scorn and are documented at www.prc.gov. DFA needs transparency and accountability.

"The Commission has done more than its part to help USPS. In addition to pricing flexibility, the Commission, as required by law, has approved thousands of specialized contracts between USPS and customers in recent years. The Commission approved these negotiated service agreements rapidly, while working to make sure USPS does not compete unfairly with private sector shipping competitors. The Commission has done this work along with its other statutory responsibilities with fewer than 100 staff members.

"As the Commission stated in its Advisory Opinion on USPS' latest service standard reductions, it agrees that changes are needed at USPS. We stand ready to work with Congress to ensure the longterm stability of the postal system."

Under DeJoy, his agency's dealings with the PRC have moved from cooly business-like to downright hostile. His perspective that the commission's legally-mandated processes are impeding implementation of his Plan has infected his executives, and their attitude is reflected in filings with the PRC. DeJoy might want a free hand to set prices as he wishes but, fortunately for ratepayers, he can't.

'(7)Notwithstanding any other provision of this title, a post office may not be closed or consolidated if such post office—
'(A) is not located within 15 miles of any other post office; or
'(B) is the closest post office for a population of 15,000 individuals or more.'

"SEC. 3. POSTAL SERVICE PROCESSING AND DISTRIBUTION CEN-TERS; TRANSPORTATION OPTIMIZATION.

(a) IN GENERAL.—Chapter 4 of title 39, United States Code, is amended by adding after section 416 the following:

'§ 417. Postal Service processing and distribution centers

'(a) IN GENERAL.—The United States Postal Service may not close, consolidate, downgrade, or take any other similar action with respect to any processing and distribution center in a State if such action would result in no such center being located in that State in any geographically non-contiguous region of that State inhabited by more than 100,000 permanent residents. In this subsection, the term "geographically non-contiguous region" means an area of a State that is physically separated from the main body of the State by a significant body of water or land controlled by another State. '(b) LIMITATION ON CHANGES TO MAIL PROCESSING FACILITIES.—

- (1) IN GENERAL.—Notwithstanding any other provision of law, the Postal Service may not implement or otherwise carry out any changes to the operations of its mail processing facilities (including consolidation or partial consolidation, aggregation of processing, distribution, or delivery operations) until on or after the date that the Postal Regulatory Commission issues an advisory opinion on the proposed facility changes.
- (2) DEADLINE.—The Postal Regulatory Commission shall issue the advisory opinion required under paragraph (1) not later than 120 business days after the date the Postal Service submits to the Commission a proposed change to any such facility.
- (3) OTHER REQUIREMENTS.—The Commission shall issue an advisory opinion for each processing and distribution center at which the Postal Service has proposed changes, downsizing, and consolidations.

'(4) REPORT.—If an advisory opinion by the Commission under this subsection determines that a proposed change will lead to slower on-time mail delivery, the Postal Service shall publish a report on the Postal Service's public website on practices and procedures the Postal Service will implement to ensure mail delivery remains on time. No such changes may be implemented or otherwise carried out for the period of 180 days beginning on the date such report is so published.

'(c) PROHIBITING ON CARRYING OUT MAIL PROCESSING FACILITY REVIEW.—Notwithstanding any other provision of law, the Postal Service may not carry out the United States Postal Service Mail Processing Facility Review (or any successor program), and no Federal funds (including amounts in the Postal Service Fund under section 2003) may be obligated or expended to carry out such Review.

'(d) LIMITATION OF THE CLOSURE OF PROCESSING AND DISTRIBU-TION CENTERS IN REGIONS THAT ARE NOT MEETING ON-TIME DE-LIVERY BENCHMARKS.—During any calendar year, the Postal Service may not close, consolidate, or otherwise move any operations or services from any processing and distribution center located within any Postal Service district that, during anytime within the immediately preceding calendar year, failed to meet—

(1) at least 93 percent on-time delivery rate for two-day single first-class mail; and

'(2) at least 90.3 percent on-time delivery rate for three to five-day first-class mail.

'(e) DEFINITIONS.-In this section-

'(1) the term "processing and distribution center" means a central mail facility that—

'(A) distributes and dispatches part or all of both incoming mail and outgoing mail for a designated service area;

'(B) provides instructions on the preparation of collection mail, dispatch schedules, and sorting plan requirements to mailers; and

'(C) is a sectional center facility, a general mail facility, or a dedicated mail processing facility without a station or branch; and

'(2) the term "State" means the 50 States and the District of Columbia.

'§ 418. Local transportation optimization and regional transportation optimization changes

'(a) IN GENERAL.—The Postal Service may not implement or otherwise carry out any local transportation optimization (in this section referred to as 'LTO') and regional transportation optimization (in this section referred to as 'RTO') efforts that will decrease the

Lipstick on a Pig – Commentary

It's doubtful that anyone doesn't know the meaning of the analogy that something is "like putting lipstick on a pig." With no offense intended to pigs, it simply means that the fundamental nature of something isn't changed or improved by the addition of superficial or cosmetic devices.

The analogy applies to the recent press release (and accompanying *Industry Alert* and *DMM Advisory*) from the Postal Service informing readers that it is "enhancing service standards," and that they should "prepare for the changes." The release touts the benefits of the "enhancements" to the agency, claiming it will allow savings of "at least \$36 billion over the next decade through reductions in transportation, mail and package processing and real estate costs."

The USPS publicists outdid themselves, using a new level of disingenuous spin in a poorly veiled depiction of reduced service as something good for customers. Claiming that the USPS is "enhancing service predictability and reliability" is

number of times mail is either picked up or dropped off for any post office in the country.

'(b) PRC OPINION.—The Postal Service may not proceed with changing drop off and pick up schedules at post offices as part of the LTO or RTO plans without requesting a Postal Regulatory Commission opinion.

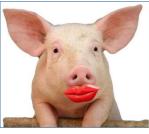
"(c) LIMITATION.—If the Postal Regulatory Commission does not recommend implementing these changes in an opinion under subsection (b), the Postal Service may not move forward with LTO or RTO optimization efforts anywhere in the United States."

Though the bill joins many others related to the Postal Service that have already been filed since this session of Congress was seated in January, Budzinski's is the most comprehensive in restricting potential USPS actions.

The bipartisan sponsors of the bill also have rural constituencies in common. Budzinski's district is a narrow band across central Illinois; Bergman's is the northern third of Michigan's "mitten" and all of the Upper Peninsula; Pappas' district is the eastern third of New Hampshire; Golden's is about 90% of Maine; and Hageman represents all of Wyoming. The provision in proposed section 417(a) about a facility in a "noncontiguous" portion of a state refers to the Iron Mountain (MI) P&DC that serves most of Michigan's Upper Peninsula – not connected by land to the rest of Michigan. Section 417 also reflects Hageman's concerns about Wyoming mail being sent out of state – such as to Utah or Colorado.

It's doubtful that any proposed legislation will cause DeJoy to alter course on his initiatives, but by pressing ahead in the face of growing opposition, he may be endangering the longterm success of his Plan. As illustrated in the February 24 issue of *Mailers Hub News*, DeJoy's RTO plan is impacting 47% of the population and 71% of all ZIP Codes in the lower 48 states; the majority of the population in 30 states and the majority of ZIP Codes in 46 states are impacted. This translates politically into RTO being a concern for the voters in nearly every state and most Congressional districts.

Though DeJoy has been contemptuous of Congress's involvement in postal affairs, his normal political acumen is failing him if he believes that pressing forward with RTO isn't a risk – if not for him, perhaps for his political allies in Congress who might support his Plan



a clever attempt to recast service being slowed – again.

Asking customers to adjust their "service expectations" and to rely on such tardiness doesn't improve the service they actually receive or make them any happier. The 47% of America's population whose service is declining

doesn't care about Louis DeJoy's fixation on full trucks or his delusion that the USPS can be restored to self-sufficiency by ever-increasing prices and ever-worsening service.

Moreover, the USPS isn't meeting its service targets now, so ratepayers have no reason to expect sudden improvement from the forthcoming "enhancements." The postal publicists will try to convince us all otherwise, but there just isn't enough lipstick available for that pig.

Legislation Seeks to Compel Improved Service for Periodicals

Another indicator of legislative discontent over the level of service being provided by the Postal Service is S 1002, the *Deliver for Democracy Act*, filed March 12 by Sen Peter Welch (VT) with eight bipartisan co-sponsors (Sens Tammy Baldwin (WI), John Hoeven (ND), Amy Klobuchar (MN), Jeff Merkley (OR), Mike Rounds (SD), Bernie Sanders (VT), Tina Smith (MN), and Ron Wyden (OR)). Similar measures were filed in the House and Senate during the previous Congress.

The bill would deprive the USPS of the additional 2% rate authority applicable to "non-compensatory" classes of mail unless service for Periodicals is significantly improved. The 2% is based on a final rule issued in November 2020 by the Postal Regulatory Commission; only the Periodicals class is "non-compensatory"; postage rates for Periodicals have failed to cover its costs for years.

The text of the bill states:

"SECTION 1. SHORT TITLE.

This Act may be cited as the "Deliver for Democracy Act".

SEC. 2. ADDITIONAL RATE AUTHORITY FOR PERIODICALS.

Not later than 1 year after the date of enactment of this Act, the Postal Regulatory Commission shall amend section 3030.222 of title 39, Code of Federal Regulations, to provide that, for any fiscal year ending after the date of enactment of this Act, the Commission shall not authorize the United States Postal Service any additional rate authority with respect to periodicals under that section for the following fiscal year, unless the Commission determines that the United States Postal Service achieved—

- (1)a 95 percent on-time delivery performance for periodicals during the fiscal year of the determination, as measured by the service standards in effect on the date of enactment of this Act; or
- (2) an increase in the on-time delivery performance for periodicals during the fiscal year of the determination, as measured by the service standards in effect on the date of enactment of this Act, of not less than 2 percentage points, as compared to the on-time delivery performance percentage in the fiscal year before, on, or after the date of enactment of this Act in which the on-time delivery performance percentage is the highest measured, as measured by such service standards.

SEC. 3. ANNUAL PROGRESS REPORT.

- (a) REPORT REQUIRED.—
 - (1) IN GENERAL.—Subject to subsections (c) and (d), the Postmaster General shall submit to the Postal Regulatory Commission and make publicly available an annual report on the progress of the United States Postal Service in including in the periodical service performance measurements of the Postal Service on-time performance data for in-county and out-of-county newspaper mail that is entered and accepted at each delivery unit for delivery.
 - (2)STAKEHOLDER INPUT.—In carrying out the report requirement under paragraph (1), the Postmaster General shall solicit feedback from relevant stakeholders.
- (b) IMPLEMENTATION OF REPORT REQUIREMENT.—If the relevant information is not available for each individually-addressed piece of mail for purposes of a report required under subsection (a), the Postal Regulatory Commission, in consultation with the Postmaster General, shall develop a system for generating service performance data for use in the report by producing digital information for relevant mail bundles.

(c) TERMINATION OF REPORT REQUIREMENT.—The Postmaster General shall submit and make publicly available the report described in subsection (a) annually until the date on which the Postal Regulatory Commission determines that the United States Postal Service has incorporated the categories of mail described in subsection (a), or any other relevant mail categories used in the report in accordance with subsection (d), into the existing applicable service performance measurements.

(d) PROXY INFORMATION.-

- (1) IN GENERAL.—If the Postal Regulatory Commission and the Postmaster General jointly determine that identifying newspaper mail within the periodicals mail category is not practicable for purposes of a report under subsection (a), the Postal Regulatory Commission may determine what information with respect to the closest relevant mail category the Postmaster General may use in the report.
- (2) PUBLIC REPORT ON DETERMINATION.—If the Postal Regulatory Commission and the Postmaster General make the determination described in paragraph (1), the Postal Regulatory Commission and the Postmaster General shall make publicly available a report describing the process and rationale for the determination, including a description of—
 - (A) the potential costs for the United States Postal Service and applicable businesses resulting from the report requirement under subsection (a);
 - (B)the ability of the Postmaster General to ascertain accurate results for inclusion in the report under subsection (a); and
 - (C) any other factor contributing to the determination.

SEC. 4. GAO STUDY AND REPORT.

- (a) STUDY.—The Comptroller General of the United States shall conduct a study of alternative pricing schemes and other options for the United States Postal Service that would improve the financial position of periodicals and other products that do not cover their costs and evaluate the potential impact of such alternative pricing schemes and other options.
- (b) REPORT.—Not later than 2 years after the date of enactment of this Act, the Comptroller General of the United States shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform of the House of Representatives a report on the study conducted under subsection (a).

As can be verified by examining the corrective mandates from the PRC in their *Annual Compliance Determination* over the past several years, as well as a series of studies about the costs of flats processing, the Postal Service has yet to solve the challenge of processing flats in a cost-effective manner – and Periodicals are almost all flats. In turn, price increases for the Periodicals class under the applicable ratesetting rules have been unable to keep pace with the costs to process them, resulting in a widening shortfall in cost coverage.

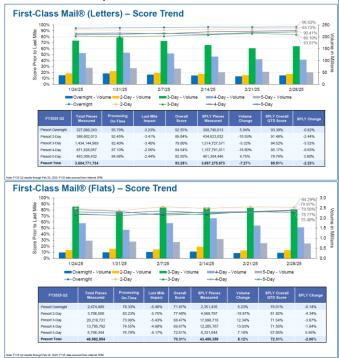
The inefficiency of processing Periodicals also leads to slower service, with Periodicals service scores well below both the established standards and the Postal Service's own targets.

Frustration over Periodicals' chronic cost/price and service deficiencies is far from new. The legislation may be intended to motivate the USPS to try harder to solve its Periodicals problems, but developing a feasible solution may require more than a push from Congress.

Snapshot of Service Scores Reflects Poor Performance

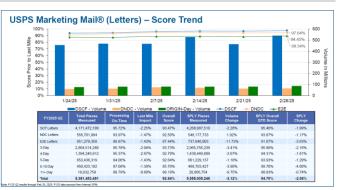
At the recent meeting of the Mailers Technical Advisory Committee, attendees were provided with a snapshot of service scores for a six-week period through the end of February. The Postal Service also files quarterly service reports with the Postal Regulatory Commission (see the February 24 issue of *Mailers Hub News*), but the data shared at MTAC was for specific weeks, not an entire quarter. Nonetheless, the scores did not reflect improving service. The charts below show aggregated national level scores for all categories of First-Class Mail letters and flats, Marketing Mail letters and flats, and Periodicals.

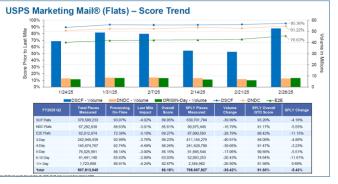
For First-Class Mail letters, there were almost 7.27% fewer pieces "in measurement" than a year earlier, but the decrease was concentrated in mail with a 2-, 3-, or 4-day service commitment. All scores were hurt by a "last-mile impact" ranging from 2.44% to 3.41%, yielding an aggregated national level score for the period of 83.28% -- 2.23% lower than for the same period in 2024.



Conversely, the volume of First-Class Mail flats "in measurement" was 8.12% greater over the period than a year earlier. Regardless, the "last mile impact" was significant, ranging from 4.17% to 6.46%, and the aggregated national on time service score fell 2% from last year (to 70.31%).

The story was about the same for Marketing Mail. Letters and flats "in measurement" fell 3.12% and 36.42%, respectively, compared to the same period in 2024. The "last mile impact" for Marketing Mail letters was between 0.6% and 2.67%, and between 2.8% and 4.49% for Marketing Mail flats. These factors resulted in aggregated national-level scores of 92.64% for letters, and 86.18% for flats, lower by 2.06% and 5.43%, respectively, compared to last year.





Similarly, the volume of Periodicals (of all shapes, but nearly all flats) was 10.81% lower for the period than in 2024, but the "last-mile impact" was significant, ranging from 2.3% to 6.46%. Overall, the aggregated national score for Periodicals over the six-week period was 78.15%, down over 6% from 2024.



Under the revised network and service measurement criteria that the USPS will implement starting April 1, it's assumed "0 days" will be required between the destination plant and the addressee, i.e., that mail send from the plant will be delivered that day. If that were so, the "last-mile impact" would be nil, i.e., there would be no delay adversely affecting measured service scores.

Clearly that isn't currently the situation so, notwithstanding the new transportation scheme soon to be in place between the origin and destination plants, and the relaxed criteria for service measurement, the challenge seems to be getting the available mail delivered on time, as assumed by the USPS.

USPS Proposes Revised Critical Entry Times

As announced at the recent Mailers Technical Advisory Committee meeting, the Postal Service is planning more changes to the critical entry times for market-dominant mail. These deadlines are the times by which mailings must be submitted to be eligible for the related service commitments.

First-Class Mail

Scenario	Collocated?		?	Distance from RPDC?	% of Volume	Current CET	Future CET
	No			>50 miles	1.8%	1500	0000
BMEU		NO		<50 miles	3.7%	1500	1200
Origin				LPC >50 miles	2.1%	1800	1000
Entry CETs		Yes		LPC <50 miles	6.5%	1800	1300
		165		N/A; Collocated with RPDC	0.2%	1800	1400
		No		>50 miles	1.0%	0000	0000
Overnight		INO		<50 miles	1.1%	0000	0000
BMEU	Y	'es; Collocate	d /	>50 miles	1.9%	0800	0800
Origin Plant Entry		Plant Entere	d	<50 miles	12.1%	0800	0800
CETs		ollocated Loc		>50 miles	0.0%	1200	1200
	s	eparated / Pla Entered	ant	<50 miles	0.0%	1200	1200
Scenario		Dista	nce f	rom RPDC?	% of Volume	Current CET	Future CET
					Volume	UL1	
No CSA:		Entered at Lf	PC>5	50 miles	2.6%	1900	1000
No CSA: Origin Plant		Entered at LI Entered at LI					
			PC <	50 miles	2.6%	1900	1000
Origin Plant		Entered at Li	PC < I at R	50 miles	2.6% 24.7%	1900 1900	1000 1400
Origin Plant Entry CETs		Entered at LF N/A; Entered Container Makeup?	PC < l at R Dist	50 miles PDC stance from RPDC?	2.6% 24.7% 2.8% % of	1900 1900 1900 Current	1000 1400 1500 Future
Origin Plant Entry CETs		Entered at Lf N/A; Entered Container	PC < l at R Dist	50 miles PDC tance from RPDC? ered at LPC >50 s ered at LPC <50 s	2.6% 24.7% 2.8% % of Volume	1900 1900 1900 Current CET	1000 1400 1500 Future CET
Origin Plant Entry CETs Scenario		Entered at Lf N/A; Entered Container Makeup? Needs Piece	PC < l at R Dist Ente mile Ente	50 miles PDC tance from RPDC? ered at LPC >50 s ered at LPC <50 s	2.6% 24.7% 2.8% % of Volume 0.1%	1900 1900 1900 Current CET 2000	1000 1400 1500 Future CET 1000
Origin Plant Entry CETs Scenario With CSA:		Entered at Lf N/A; Entered Container Makeup? Needs Piece Processing	PC < Dist Ente mile Ente mile	50 miles PDC Internet PDC Internet PDC Internet PDC? Inter	2.6% 24.7% 2.8% % of Volume 0.1%	1900 1900 1900 Current CET 2000	1000 1400 1500 Future CET 1000 1500
Origin Plant Entry CETs Scenario		Entered at LI N/A; Entered Container Makeup? Needs Processing Needs Tray	PC < Dist Ente mile N/A LPC	50 miles PDC	2.6% 24.7% 2.8% % of Volume 0.1% 0.1%	1900 1900 Current CET 2000 2000	1000 1400 1500 Future CET 1000 1500 1600
Origin Plant Entry CETs Scenario With CSA: Origin Plant		Entered at Lf N/A; Entered Container Makeup? Needs Piece Processing	PC < I at R Dist Ente mile N/A LPC LPC	50 miles PDC International States of the second state of the second states of the second stat	2.6% 24.7% 2.8% % of Volume 0.1% 0.1% 0.0% 0.4%	1900 1900 1900 2000 2000 2000 2000 2100	1000 1400 1500 Future CET 1000 1500 1600 1100
Origin Plant Entry CETs Scenario With CSA: Origin Plant		Entered at LI N/A; Entered Container Makeup? Needs Processing Needs Tray Processing	PC < I at R Dist Ente mile Ente mile N/A LPC LPC	50 miles PDC tance from RPDC? ared at LPC >50 s ared at LPC <50 s s ctance dat RPDC c<>50 miles c<<50 miles	2.6% 24.7% 2.8% % of Volume 0.1% 0.1% 0.1% 0.0% 0.4% 12.7%	1900 1900 2000 2000 2000 2000 2100 2100	1000 1400 1500 Future CET 1000 1500 1600 1100 1600
Origin Plant Entry CETs Scenario With CSA: Origin Plant		Entered at LI N/A; Entered Container Makeup? Needs Processing Needs Tray	PC < I at R Dist Ente mile Ente mile N/A LPC N/A	50 miles PDC ance from RPDC? ared at LPC >50 s ared at LPC <50 s s ared at LPC <50 s c>50 miles c>50 miles c<50 miles	2.6% 24.7% 2.8% % of Volume 0.1% 0.1% 0.1% 0.0% 0.4% 12.7% 1.0%	1900 1900 2000 2000 2000 2000 2100 2100	1000 1400 1500 Future CET 1000 1500 1600 1100 1600 1700

Marketing Mail

Scenario	Collocated?	Distance from RPDC?	% of Volume	Current CET	Future CET
	No	>50 miles	1.1%	1500	1500
вмец	NO	<50 miles	1.8%	1500	1200
Origin		LPC >50 miles	1.1%	1500	1500
Entry CETs	Yes	LPC <50 miles	3.4%	1500	1300
		N/A; Collocated with RPDC	0.2%	1500	1400
	Scena	rio	% of Volume	Current CET	Future CET
DDU Entry CET			0.7%	1600	1600
1	Distance from RPDC?				
Scenario	Dista	ince from RPDC?	% of Volum e	Current CET	Future CET
Scenario		nce from RPDC? PC >50 miles			
Scenario Origin Plant Entry CETs	Entered at L		Volume	CET	CET
Origin Plant	Entered at L	PC >50 miles PC <50 miles	Volume 0.8%	CET 1500	CET 1500
Origin Plant Entry CETs	Entered at L Entered at L	PC >50 miles PC <50 miles d at RPDC	Volume 0.8% 3.4%	CET 1500 1500	CET 1500 1400
Origin Plant	Entered at L Entered at L N/A; Entered	PC >50 miles PC <50 miles d at RPDC	Volume 0.8% 3.4% 0.4%	CET 1500 1500 1500	CET 1500 1400 1500

Scenario	Container Preparation Level?	Distance from RPDC?	% of Volume	Current CET	Future CET
	Cross Docked	>50 miles	0.1%	1700	1700
Origin Entry CETs		<50 miles	0.7%	1700	1700
2		>50 miles	3.6%	0800	0800
	Everything Else	<50 miles	14.6%	0800	0800
Scenario	Container Preparation Level?		% of Volume	Current CET	Future CET
Cross Doc Destination		d Carrier Route 5-Digit Container	4.8%	1700	1700
Entry CETs	Eve	erything Else	76.2%	0800	0800

Bound Printed Matter

Scenario	Collocated?	Distance from RPDC?	% of Volume	Current CET	Future CET
	No	>50 miles	0.9%	1500	1500
вмец	NO	<50 miles	4.0%	1500	1200
Oriain		LPC >50 miles	0.4%	1500	1500
Entry CETs	Yes	LPC <50 miles	3.9%	1500	1300
		N/A; Collocated with RPDC	0.0%	1500	1400
	Scena	rio	% of Volume	Current CET	Future CET
DDU Entry CET			36.5%	1600	1600
				·	
Scenario	Dista	nce from RPDC?	% of Volume	Current CET	Future CET
Scenario		nce from RPDC? PC>50 miles			
Scenario Origin Plant Entry CETs	Entered at L		Volume	CET	CET
Origin Plant	Entered at L	PC>50 miles PC <50 miles	Volume 0.2%	CET 1500	CET 1500
Origin Plant Entry CETs	Entered at L Entered at L N/A; Entered	PC>50 miles PC <50 miles	Volume 0.2% 1.9%	CET 1500 1500	CET 1500 1400
Origin Plant	Entered at L Entered at L N/A; Entered Entered at L	PC>50 miles PC <50 miles d at RPDC	Volume 0.2% 1.9% 0.0%	CET 1500 1500 1500	CET 1500 1400 1500

The Postal Service noted that, for each scenario, the percentages of volume cited were "based on all induction methods and product make-up" for the corresponding mail over the period "from 10/5/2024-11/22/2024." In addition, for First-Class Mail, the agency noted that "CSAs may have customer specific CETs that differ from above" and that a CSA designation is "based on current container make-up levels (Working, Presort, or Presort Assigned) to align with current and future CETs." (CSAs, Customer Service Agreements, are between the USPS and individual mailers in which the Postal Service allows different – usually later – CETs in exchange for specific preparation and entry practices by the mailer.)

Regardless, the changes are effectively another device to provide even slower service. Especially for mail entered later in the business day, the revised CETs add another day to the service performance the sender should expect, e.g., mail now entered at 6pm (1800) that would receive two-day service will receive three-day service under the new CETs, unless it's entered eight hours earlier. The significance of the CET for mail deposited more than 50 miles from an origin processing facility is even more dubious - there's no afternoon collection, so whether the mail is deposited at noon or 5pm, it won't be going anywhere until the next morning.

All the Official Stuff

Federal Register

Postal Service

NOTICES

- March 13: Product Change [7]: Priority Mail Express, Priority Mail, and USPS Ground Advantage Negotiated Service Agreement [4], 12003, 12003, 12004, 12004; Priority Mail and USPS Ground Advantage Negotiated Service Agreement [3], 12003, 12003, 12004.
- March 20: International Product Change: Priority Mail Express International, Priority Mail International, and First-Class Package International Service Agreement, 13220; Product Change [18]: Priority Mail Express, Priority Mail, and USPS Ground Advantage Negotiated Service Agreement [5], 13219, 13219, 13221, 13221, 13222; Priority Mail and USPS Ground Advantage Negotiated Service Agreement [12], 13219, 13220, 13220, 13220, 13220, 13221, 13221, 13221, 13221, 13222, 13222, 13222; USPS Ground Advantage Negotiated Service Agreement, 13219.
- March 21: International Product Change: Priority Mail Express International, Priority Mail International, and First-Class Package International Service Agreement [3]: 13393, 13394, 13394.

PROPOSED RULES

[None].

FINAL RULES

March 12: Securing Bundles of Flats, 11802-11804.

Postal Regulatory Commission

NOTICES

March 11: New Postal Products, 11758-11759.

March 12: New Postal Products, 11854.

March 13: New Postal Products, 12001-12002: Competitive Postal Products, 12002-12003.

March 14: New Postal Products, 12185-12186.

- March 17: New Postal Products, 12370-12371.
- March 18: New Postal Products, 12575-12576.

March 19: New Postal Products, 12823-12824.

- March 20: New Postal Products, 13218-13219.
- March 21: New Postal Products, 13392-13393.
- March 24: New Postal Products, 13506-13507.

PROPOSED RULES

[None].

FINAL RULES

[None].

DMM Advisory

March 20: USPS is Enhancing Service Standards. March 21: Monthly Labeling List Changes.

USPS Industry Alerts

March 11, 2025

Postal Bulletin (PB 22672, March 20)

• Effective **April 1**, Labeling Lists L003, L011, L012, L015, L051, and L801 are revised to reflect changes in mail processing operations. Mailers are expected to label according to these revised lists for mailings inducted on or after the April 1, 2025, effective date through the May 31, 2025, expiration date.

Note: Due to the extensive number of changes to the following Labeling Lists, the changes will not be published in this *Postal Bulletin.* Additionally, as of April 1, 2025, these Labeling Lists will be deleted from the External Label Lists: L003 3-Digit ZIP Code Prefix Groups – 3-Digit Scheme Sortation; L011 Non-NDC/ASF Entry – Periodicals and Standard Mail Letters; L801 AADCs – Letter-Size Mailings. To access these changes, as well as a complete listing of EELLs changes in Postal Pro (effective April 1, 2025), go to *postalpro.usps.gov/operations/labeling-lists/changes-april-2025*.

• Effective July 13, DMM 203.4.4, 203.4.5, 203.4.8, 203.4.9, and 245.9.5 are revised to reflect changes in the Postal Service requirements for securing bundles of flats. The Postal Service is revising the standards in the following sections to include the following requirements:

- Section 203.4.4: Mailings of 500 flat-sized pieces or less entered at the business mail entry unit do not require bundle preparation. Applicable mailings may be prepared loose in flat trays instead of in bundles.
- Sections 203.4.5, 203.4.8, and 203.4.9: All bundles of flats must have two or more cross-strapped bands or be shrink-wrapped with one or more cross-strapped bands, with the exception of newspapers that are placed in a flat tray and entered as exceptional dispatch. Such newspapers may be bundled by using only one strap around the middle of the bundle to prevent damage.
- Section 245.9.5(d): Shrink-wrapped multi-carrier route bundles must be bundled by using two or more cross-strapped bands.

Additionally, the Postal Service no longer permits using rubber bands and twine or string for securing bundles of flats, with the exception of bundles of First-Class Mail flats placed in flat trays. Although the Postal Service will not publish these revisions in the DMM until July 13, 2025, the standards will become effective on July 1, 2025.

Effective March 20, the IMM Individual Country Listing for Curaçao is revised to add an observation about including the addressee's mobile phone number and email address when mailing certain items to Curaçao.

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.

Normal Operations Have Resumed in Seattle, Washington and Louisville, Kentucky

Normal operations have resumed in Seattle, Washington and Louisville, Kentucky following delays. We apologize for any inconvenience you experienced. Customers are encouraged to visit our Service Alerts page at Service alerts - Newsroom - About.usps.com for up-to-date information on service impacts.

March 11, 2025

Manual Address Correction Notices Update

The Postal Service eliminated the STIDs that allowed Full-Service and Seamless Acceptance mailers to request hardcopy address correction notices with the July 2023 Price Change. The STIDs will be permanently removed from our system with the July 2025 Price Change. If mailers continue to embed the eliminated STIDs in their IMb, they may incur penalties for continued use of an invalid STID. It is a requirement

of Full-Service to use the appropriate STID for the mail class and service level of the mailpiece in the IMb. A STID Error is logged when the Service Type ID in the Intelligent Mail barcode is missing, not valid, or not correct for the class and service level of the mailpiece. Any Full-Service pieces with errors that exceed an error threshold may be subject to an assessment. The assessment amount is equal to the removal of the Full-Service discount claimed for each piece in error. The Postal Service also revised the current Mailing Standards outlined in the Domestic Mail Manual (DMM), sections 204 and 507. The Postal Service will no longer offer an option for mailers to request a PS Form 3547, *Notice to Mailer of Correction in Address* or a PS Form 3579, *Notice of Undeliverable Periodical*, for packages with an Intelligent Mail package barcode (IMpb) to get address-correction information. Mailers requesting address-correction information for undeliverable-asaddressed (UAA) will be required to register for IMpb ACS or Traditional ACS to receive Address Change Notifications electronically. This revision and policy will become effective March 5, 2025. Mailers are encouraged to sign up for ACS, to receive address correction notices for packages bearing an IMpb barcode. If you have questions regarding these changes, please reach out to the ACS team via email at ACS@USPS.GOV. The current Service Type ID Table can be found at: https://postalpro.usps.com/service-type-identifiers/stidtable. The Proposed and Final Rule *Federal Register* Notices regarding the elimination of manual address correction notices for IMpb packages can be found at *Federal Register* :: Address Correction Notices IMpb and *Federal Register* :: Address Correction Notices IMpb.

March 13, 2025

National Postal Forum (NPF) Workshops and Workshop Tracks Selected

Innovative and information-rich sessions on topics ranging from mail and shipping best practices to data analytics improving return on mail will be presented at the National Postal Forum, scheduled to take place in 44 days in Nashville, TN. As the largest trade show in the mailing industry, NPF strives to offer attendees education that provides mailers with ways to grow professionally, expand knowledge and achieve sustainable success. At this year's Forum, some 120 workshops will be offered across five tracks: Driving Mail Growth with Cut-ting-edge Innovations; Shipping Solutions for a Greater Advantage; Data, Technology, and Visibility for Tomorrow's Competitive Advantage; Professional Growth through Strategic Leadership; Operational Excellence from Mail Setup to Delivery. Attendees have the opportunity to curate their own selections based upon their educational needs. The following is a sampling of some of the classes: Al and Emerging Tech in Direct Mail to Lift ROI; Unleashing Your Best Self: The Key to Self-Actualization; Direct Mail Master Class: Taking Your Impact to 11; Address Quality 101; API Deep Dive for Integrating with USPS. If you attend certain workshops, you may have the opportunity to qualify for the special Credly badge certification for Direct Mail Marketing or Mail Center Manager. The badge can be displayed on your social media sites showing your commitment to skill development and continuous learning. A complete list of all workshops is available on the NPF website: Workshop Tracks National Postal Forum (npf.org). If you need assistance, please send an email to: npffeedback@usps.gov.

March 20, 2025

Commercial System Releases – March 30, 2025

On Sunday, March 30, 2025, the United States Postal Service has scheduled software updates that is critical to its infrastructure. List of system changes can be found on PostalPro using link : https://postalpro.usps.com/march-30-2025-releases-notes. We apologize for any inconvenience. All Business Service Administrators (BSAs) should alert their impacted stakeholders. During normal business hours M-F (7:00 AM CT – 7:00 PM CT), direct any inquiries or concerns to the Mailing and Shipping Solutions Center (MSSC) via email MSSC@usps.gov or telephone (877) 672-0007.

March 20, 2025

WestPac Virtual AIM Meeting – Areas Inspiring Mail

Tuesday, March 25, 2025, 11am-1pm. Register for the online AIM event at the following link: https://WestPacAIM2025.eventbrite.com. March 20, 2025

USPS Is Enhancing Service Standards

The United States Postal Service is implementing refinements to service standards and has launched new online tools and a fact sheet to help customers prepare for the changes. These adjustments will affect First-Class Mail. Periodicals. Marketing Mail. Package Services (including Bound Printed Matter, Media Mail, and Library Mail), USPS Ground Advantage, Priority Mail, and Priority Mail Express. The enhancements are estimated to save the Postal Service at least \$36 billion over the next decade through reductions in transportation, mail and package processing and real estate costs. The service standards refinement will occur in two phases to ensure effective operational implementation: the first phase will begin April 1. The second phase will start July 1. As part of the ongoing Delivering for America 10-year plan, USPS has already achieved \$2.2 billion in annual transportation cost reductions by streamlining networks and optimizing air and surface options. Additionally, it has decreased work hours by 50 million — translating to \$2.5 billion in annual savings, by enhancing plant productivity and closing unnecessary facilities. At the same time, the Postal Service has increased revenue by \$3.5 billion annually by adapting product offerings amidst significant declines in First-Class Mail volume. These newly enhanced service standards align with the Postal Service's operational goals and enable the organization to realize the projected savings while also: Preserving the current service standard day ranges for First-Class Mail and USPS Ground Advantage, thus ensuring the standard First-Class Mail delivery time will not exceed 5 days; Enhancing service predictability and reliability; Offering 2-3-day turnaround service within regions and specific local areas; Allowing flexibility in regional transportation schedules, which may extend service expectations by one day for mail collected at certain Post Offices, while overall improving delivery speeds for mail and packages between regions. In preparation for these upcoming changes, USPS has developed user-friendly tools to assist customers in understanding expected delivery times for their mail. Available now: Detailed file specifications for downloadable files with the new standards are available on PostalPro (Service Standards | PostalPro): The service standards Application Programming Interface (API) has been updated to include a new presort indicator for First-Class Mail standards. API specs are available now on the USPS Developer Portal (https://developers.usps.com/). Starting March 24: Customers can look up service standards on usps.com for mailings from one ZIP Code to another on a particular mailing date. The search results will display the available mail classes along with the expected delivery dates for each. A new interactive map will be available that will display service standards. Customers will be able to enter the ZIP Code they are mailing from along with the mail class to view the expected delivery time. For additional information about the service standard changes, please go to: https://about.usps.com/what/strategicplans/delivering-for-america/details.htm#fcps. This information will be updated as needed to communicate any new information.

March 20, 2025

Postal Service Launches Six New Sorting and Delivery Centers in April

The Postal Service will launch six new sorting and delivery centers (S&DC) around the nation on April 5 and April 19, 2025. One site of these new S&DCs will open with multiple 5-Digit ZIP Codes being moved into them. Five S&DCs will open without additional 5-Digit ZIP Codes moving into them. These S&DCs are an integral part of the Postal Service's Delivering for America plan to create a best-in-class processing and delivery network. The S&DCs will revitalize our network of nearly 19,000 delivery units – the last stop for mail and packages before they are delivered by our carriers. The Postal Service has targeted key markets where it is beneficial to aggregate delivery units into fewer, larger, centrally located S&DCs – leveraging both repurposed and new facilities – to simplify the entire network and create a more reliable and efficient Postal Service. The schedules for the new S&DCs launches are listed below with the ZIP Codes they will serve:

Location	ZIP Codes Served			
April 5, 2025 sites with additional 5-Digit ZIP Code moves:				
Atlanta GA SDC, 3900 Crown Rd SW, Atlanta GA 30304	30302, 30303, 30312, 30315-30317, 30334, 30344, 30354, 30364			
April 19, 2025 sites without additi	onal 5-Digit ZIP Code moves:			
Burbank CA SDC, 2140 N Hollywood Way, Burbank CA 91505	91352, 91501, 91502, 91504-91507, 91510, 91521-91523			
Valle Verde SDC, 1575 W Horizon Ridge Pkwy, Henderson NV 89012	89012, 89014, 89053, 89074			
Sacramento CA SDC, 2000 Royal Oaks Dr, Sacramento CA 95813	94236, 94258, 95811, 95813-95815, 95833-95837, 95851- 95853, 95899			
North Grand SDC, 2201 N Grand Ave, Santa Ana CA 92711	92701, 92702, 92705, 92706, 92711			
Surprise AZ SDC, 14955 W Bell Rd, Surprise AZ 85374	85374, 85379, 85387, 85388			

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.

March 20, 2025

Possible Package Delays: Omaha, Nebraska Processing and Distribution Center

Customers may experience package delays from the Omaha Processing and Distribution Center, 1124 Pacific St, Omaha, NE 68108. The Postal Service is implementing planned staffing increases and route adjustments. We apologize for any inconvenience you may have experienced as we work to restore the level of service you expect and deserve. Customers are encouraged to visit our Service Alerts page at Service alerts - Newsroom - About.usps.com for up-to-date information on service impacts.

March 20, 2024

Multifactor Authentication (MFA) for the Click-N-Ship Application

Starting March 6, 2025, the United States Postal Service began implementing Multifactor Authentication (MFA) to enhance customer experience and bolster security measures. MFA is a security process that requires users to perform multiple steps or methods of authentication to gain access to certain programs or applications. It provides an additional level of security to help protect identities, passwords, and other personal data from unauthorized access and misuse. Here's what you need to know about the new MFA process: If you signed up for an account prior to March 6, 2025, you will have the option to enroll in MFA; If you signed up for an account after March 6, 2025, you will be required to enroll in MFA; Going forward, if you haven't already verified your email with USPS – you will be required to do so when enrolling in MFA; Phone (SMS) and Email are the available MFA enrollment options. If you have any trouble with the Click-N-Ship MFA process, please contact us at: https://emailus.usps.com/s/click-n-ship-inquiry. Please refer to the Multifactor Authentication FAQ for additional information on how to enroll and setup MFA.

March 21, 2024

Experience the 2025 National Postal Forum (NPF) Exhibit Hall

Visit the Premier Mail and Shipping Expo – at NPF! With 170+ industry-leading exhibitors, the NPF Exhibit Hall is your gateway to the latest innovations, expert consultations, and essential business solutions. Whether you're exploring cutting-edge technology, connecting with USPS specialists, or networking with top industry suppliers, there's no better place to enhance your knowledge and stay ahead in the mailing and shipping industry. Plan your Exhibit Hall experience today and claim your two-day complimentary pass at: https://www.npf.org/exhibit-hall-pass. USPS will be featured prominently on the Exhibit Hall floor: USPS Sales (Booth #437); USPS Innova-

tion Lab (Booth #365); Inspection Service Booth (Booth #549); USPS Consultation Area (Booth #154); Postmaster General's Mailers Technical Advisory Committee (Booth #940); Postal Customer Council (PCC) Advisory Committee (Booth #936); USPS Sustainability (Booth #944); USPS Supplier Outreach (Booth #939). NPF Exhibit Hall Hours: Monday, April 28, 9:30am-4:00pm, Tuesday, April 29, 9:30am-5:30pm. NPF will feature a special Exhibit Hall Reception on Tuesday, April 29, from 4:00pm-5:30pm. Attendees can network with exhibitors and fellow attendees as you view the latest technology and advancements in the industry. Food and beverages will be served.



Calendar

To register for any Mailers Hub webinar, go to 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.

March 27-30 - MFSA Conference, Grapevine (TX)

April 10 – Mailers Hub Webinar April 24 - Mailers Hub Webinar - The April Price Filing 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) July 12-16 - NACUMS Conference, Louisville (KY) 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

BRANN	ISAACSON
ATTORNEYS AND	COUNSELORS AT LAW

The services of Brann & Isaacson are now available to provide legal advice to subscribers. The firm is the Mailers Hub recommended legal counsel for mail producers on legal issues, including tax, privacy, consumer protection, intellectual property, vendor contracts, and employment matters. As part of their subscription, Mailers Hub subscribers get an annual consultation (up to one hour) from Brann & Isaacson, and a reduced rate for additional legal assistance. The points of contact at Brann & Isaac-

son 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 – Securing Bundles of Flats

POSTAL SERVICE

39 CFR Part 111

Securing Bundles of Flats

AGENCY: Postal Service.

ACTION: Final rule.

SUMMARY: The Postal Service is amending *Mailing Standards of the United States Postal Service, Domestic Mail Manual* (DMM) in sections to modify the requirements for securing bundles of flats.

DATES: Effective: July 1, 2025.

FOR FURTHER INFORMATION CONTACT: Dale Kennedy at (202) 268-6592 or Doriane Harley at (202) 268-2537.

SUPPLEMENTARY INFORMATION: The Postal Service is revising the standards in DMM section 203.4.4 to include an exemption for mailings of 500 flat-sized pieces or fewer entered at the BMEU from bundle preparation. Applicable mailings may be prepared loose in flat trays instead of in bundles. The Postal Service is also revising the standards in sections 203.4.5, 203.4.8, and 203.4.9 to require all bundles of flats to have two or more cross-strapped bands or be shrink-wrapped with one or more cross-strapped bands except for newspapers that are placed in a flat tray and entered as exceptional dispatch. These exceptional dispatch newspapers can use only one strap around the middle to prevent damage. Additionally, the Postal Service is eliminating the use of rubber bands and twine/string for securing bundles of flats except for bundles of First-Class Mail flats placed in flat trays. Furthermore, section 245.9.5(d) will be revised to reflect that shrink-wrapped multi carrier route bundles require two or more cross-strapped bands. These changes will become effective on July 1, 2025.

Comments on Proposed Changes and USPS Responses

The Postal Service received twenty-nine formal comments on the June 14, 2024, proposed rule.

<u>Comment</u>: Original proposed implementation date of January 19, 2025, was too quick and did not allow enough time for purchasing equipment and modifying product lines.

Response: The Postal Service understands the time element was a concern and did not proceed with the January 19, 2025, date. To ensure the revised requirements are achievable, the new implementation date is July 1, 2025.

<u>Comment</u>: Changes proposed would be too costly to implement or comply with.

Response: The Postal Service understands the industry's concerns surrounding potential costs. However, we must take into consideration the impact bundle breakage is having on the organization, impacting service, creating additional handling costs to manually process the broken bundles along with the damage to the mailpieces associated with the bundle breakage. The Postal Service believes this final rule will be proved to be less costly than originally proposed and more feasible for the mailers to implement.

<u>Comment</u>: Mailers were concerned about the impacts to sustainability created by the additional waste from the extra strapping.

Response: The Postal Service believes that any additional waste would be managed by the existing USPS efforts around capture recyclable materials and would not require additional measures to handle beyond those already in place.

<u>Comment</u>: There isn't enough data to support the need for changes and that the proposed changes will not address the issues at hand.

Response: The Postal Service has implemented data tracking that reflects the ongoing need to address this issue along with the data provided in recent Postal Regulatory Commission (PRC) and Office of Inspector General (OIG) studies. Mailers are being contacted in many cases based on this information.

<u>Comment</u>: Several commenters were concerned about the elimination of string and rubber bands for securing bundles of flats. Mailers expressed that the Postal Service allow exceptions for First-Class Mail flats to allow use of either method of securing the bundles of flats.

Response: Both methods of securing bundles of flats were criticized in the PRC and OIG studies as not having enough tension to adequately secure bundles for long periods of time. Postal Service reports also reflect increased numbers of incidents related to bundle breakage when using string or rubber bands. The Postal Service will allow First-Class Mail flats to continue to use string and rubber bands for flats prepared in flat tubs that will not be processed on bundle/package sorting machines.

USPS FINAL RULE – Securing Bundles of Flats

The Postal Service is committed to addressing the ongoing bundle breakage issue to reduce costs for flats products related to manual handling, to prevent operational disruptions caused by broken bundles, and eliminated product damage related to broken bundles.

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

List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

Accordingly, the Postal Service amends *Mailing Standards of the United States Postal Service, Domestic Mail Manual* (DMM), incorporated by reference in the *Code of Federal Regulations*, as follows (see 39 CFR 111.1):

PART 111 – [AMENDED]

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

Authority: 5 USC 552(a); 13 USC 301-307; 18 USC 1692-1737; 39 USC 101, 401, 403, 404, 414, 416, 3001-3011, 3201-3219, 3403-3406, 3621, 3622, 3626, 3632, 3633, and 5001.

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

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

* * * * *

200 Commercial Letters, Cards, Flats, and Parcels

* * * * *

203 Basic Postage Statement, Documentation, and Preparation Standards

* * * * *

4.0 Bundles

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[Revise the title of 203.4.4 to read as follows:]

4.4 Exception to Bundle Preparation – Full Letter and Flat Trays and Small Flat Mailings

[Add a sentence at the end of 4.4 to read as follows:]

* * * In mailings of 500 or fewer flat-sized pieces, mailers are not required to prepare bundles and may place said pieces loose in flat trays.

4.5 Securing Bundles of Flats

Bundles must be able to withstand normal transit and handling without breakage or injury to USPS employees, and are subject to the following requirements:

[Revise the text of item (a) to read as follows:]

a. Bundles must be secured with two or more cross-strapped bands or shrink-wrapped with one or more cross-strapped bands. Banding includes plastic bands, and similar material. Use of string, rubber bands, wire or metal banding is not permitted except as provided in (c) below.

[Delete current item (b) in its entirety; renumber item (c) as item (b); then revise the text to read as follows:]

b. Bundles without polywrap materials must be cross-strapped (encircle the length and girth of the bundle at least once). Additional bands may be used if none lies within 1 inch of any bundle edge.

[Add a new item (c) to read as follows:]

c. With the exception of First-Class Mail flats placed in flat tubs, rubber bands and twine/string are not permitted to use as banding materials to secure bundles.

* * * * *

- [Revise the text of item (e) to read as follows:]
- e. Newspapers that are placed in a flat tray and entered as exceptional dispatch may use only one strap around the middle to prevent potential damage.

* * * * *

USPS FINAL RULE – Securing Bundles of Flats

4.8 Preparing Bundles in Sacks and Flat Trays

In addition to following the standards in 4.5 through 4.7, mailers must prepare bundles placed in flat trays and sacks as follows: * * *

[Revise item (d) to read as follows:]

d. Bundles of pieces with covers of "coated stock" (glossy covers) that are not individually enclosed in an envelope or mailing wrapper must be secured with at least two plastic straps or with shrinkwrap plus two plastic straps and must not exceed 6 inches in height.

* * * * *

4.9 Preparing Bundles on Pallets

In addition to general bundling standards in 4.1, bundles on pallets must meet the following standards:

[Revise item 4.9(a) to read as follows:]

a. Bundles without polywrap coverings must be secured with be cross-strapped (encircle the length and girth of the bundle at least once) or shrink-wrap supplemented by one or more bands. Banding includes plastic bands (recommended) or similar material.

* * * * *

5.0 Letter and Flat Trays

5.1 General Standards

Letter-size mailings must be prepared in letter trays with sleeves. First-Class Mail flat-size mailings must be prepared in flat trays with green lids under 235.7.0 and 235.8.0, unless prepared in extended managed mail (EMM) trays under 5.7. Periodicals and USPS Marketing Mail flat-size mailings must be prepared in flat trays with white lids under 207.22.7, 207.25.5, 245.8.7, and 245.10.4.3, and strapped under 5.6.2e.

* * * * *

[Revise the text of 5.1(c) to read as follows:]

c. Flat trays used in a First-Class Mail, USPS Marketing Mail, or Periodicals flat-size mailing may be nested into each other on a pallet without lids and the pallet then shrink-wrapped.

245 Mail Preparation

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9.0 Preparing Enhanced Carrier Route Flats

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9.5 Multi Carrier Routes Bundle

A mailer may combine individual eligible bundles of USPS Marketing Mail Enhanced Carrier Route basic price mail into a multi carrier routes bundle of the same 5-digit ZIP Code under these conditions: * * *

[Revise the text of item 9.5(d) to read as follows:]

d. The multi carrier routes bundle must be secured with at least two cross-strapped bands, one around the length and one around the girth, or shrink-wrapped with one or more cross-strapped bands.

* * * * *

Colleen Hibbert-Kapler,

Attorney, Ethics and Legal Compliance.