Mailers Hub News
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In this issue …

PRC Rejects Elimination of Bound Printed Matter

In Order No. 8937, issued on the afternoon of May 25, the Postal Regulatory Commission rejected a Postal Service proposal, filed Dember 20, 2024, (Docket MC2025-948) to eliminate Bound Printed Matter as a market-dominant product.

In the same order, the PRC approved a concurrent USPS proposal (Docket MC2025-958) to increase the weight limit for Marketing Mail.

Not the first try

In the 2006 *Postal Accountability and Enhancement Act* that, among other things, separated postal classifications into market-dominant and competitive products, Bound Printed Matter was listed as among the package services that were market-dominant. The law allowed the commission to move a product from one list to another under specific criteria.

This wasn't the first time that the Postal Service sought to change BPM. In Docket MC2021-78, filed March 26, 2021, the agency proposed to move Bound Printed Matter parcels to the competitive product list as a subcategory of Parcel Select. However, in Order No. 6105, issued February 10, 2022, the PRC denied that request, noting that BPM was unlike the other parcel products that had been transferred earlier:

> "This is the fifth such transfer the Postal Service has requested. The products that were the subjects of the four previous transfer requests were general purpose parcel products operating in the same segments of the general parcel market as competitors' products. Those transfer requests were each ultimately approved by the Commission based on the Postal Service's demonstrated lack of a dominant market share within those segments of the general parcel market.
>
> "The instant request is distinguishable from these previous transfers by material facts in the record indicating that BPM Parcels is not a general-purpose parcel product, but instead a niche product for which competitors' general parcel offerings are not effective substitutes. As discussed [in the decision], based on this record, the Commission finds that BPM Parcels operates in a narrow submarket of the general parcel market and has no effective competition from other firms within that submarket. Based on this dominant market share, the Commission finds that the Postal Service exercises sufficient market power over the sale of BPM Parcels to preclude its transfer to the Competitive product list under [statute]. The Commission therefore denies the Request."

One more attempt

The Postal Service's proposal last December again sought to move BPM parcels *and flats* to the competitive product list, but it sought to mitigate the impact on affected mailers by proposing to adjust Marketing Mail weight limits in a concurrent filing. The USPS presumably concluded that current senders of BPM parcels and flats would find prices for either competitive product BPM or amended Marketing Mail – and the related classification standards for each – to be suitable alternatives.

However, the commission didn't quite see it that way. In its decision, the PRC observed:

> "As noted by multiple commenters, BPM Flats and BPM Parcels are not actually duplicate products of Media Mail/Library Mail and USPS Marketing Mail, even with the proposed increase to the weight limit of the latter. USPS Marketing Mail is limited to advertising and promotional materials, while Media/Library Mail does not permit dropshipping and has a more-restrictive content limitation than BPM Flats and BPM Parcels.
>
> "A current Bound Printed Matter customer that dropships fulfillment mailpieces cannot do so either with USPS Marketing Mail (as fulfillment does not qualify as advertising and promotional materials) or with Media Mail/Library Mail (which lacks a dropshipping option). Such a customer's only choice would be to enter their mailpieces as end-to-end Media Mail/Library Mail (paying that product's higher price, not receiving a dropship discount, and sacrificing the shorter service standards available with dropshipping) or else to ship their mailpieces using a Competitive product.
>
> "Indeed, the Postal Service estimates 87 percent of fulfillment BPM Parcels volume will migrate not to the ostensibly 'duplicate' Market Dominant products, but to Competitive products, seriously undermining the Postal Service's claim that BPM Flats and BPM Parcels are redundant.
>
> "Additionally, while the Postal Service claims efficiency benefits to the Postal Service's 'set of market dominant products as a whole[,]' the only specific example provided is limited to catalogs that will no longer need to be sent as separate shipments but can

instead be combined with USPS Marketing Mail by shippers who use both products.

"Furthermore, the rate anomalies which the Postal Service identifies as justifying the removal of BPM Flats could be ameliorated without removing the product. In Docket No. R2025-1, the Postal Service proposed price increases for BPM Flats that significantly reduced the number of rate cells with anomalous pricing. … If the Postal Service continues to raise BPM Flats prices faster than USPS Marketing Mail Flats prices, the number of rate cells affected by the pricing anomaly will likewise continue to decrease, without requiring the wholesale removal of BPM Flats from the Market Dominant product list. Accordingly, the benefit to the Postal Service of resolving this pricing anomaly by the removal of BPM Flats appears to be overstated.

"Similarly, the benefit to the Postal Service of resolving the classification anomaly concerning flat weight limits also appears to be overstated. First, the Postal Service's claim that deleting BPM Flats and raising the USPS Marketing Mail Flats weight limit will make maximum flat weights similar across Market Dominant mail appears to overlook that First-Class Mail Flats would still have a maximum weight limit of 13 oz. Additionally, because the proposal to remove BPM Flats merely causes the volume to migrate to other products, the Postal Service will still need to process those mailpieces – some of which are sufficiently light to process on flats sorting equipment and some of which are not – even if they are no longer in a 'flats' product. If the Postal Service truly sees potential efficiency gains in having everything in a 'flats' product being able to be processed uniformly, that could potentially be realized by classification changes short of wholesale product deletion.

"The Commission concludes that the benefits to the Postal Service of removing BPM Flats and BPM Parcels from the Market Dominant product list are at best minimal."

The commission was clearly unimpressed by the Postal Service's lofty assertions and claimed benefits, concluding:

"The Commission finds that the Postal Service's rationale for the removal of BPM Flats and BPM Parcels from the Market Dominant product list is outweighed by the additional considerations to which the Commission is required to give due regard pursuant to [statute]. Additionally, the Commission finds that the removal of BPM Flats and BPM Parcels would materially harm mailers by abusing the Postal Service's market power to impose a monopolistic rate increase. Accordingly, the Commission finds the proposed removal of BPM Flats and BPM Parcels is inconsistent with the standards of [statute] and therefore denies the Request."

Marketing Mail

By comparison, the proposal to increase the maximum weight for Marketing Mail received little attention or opposition, with two commenters calling it "uncontroversial."

The sum of the PRC's analysis of the proposal was

"The Commission finds that the proposed change should have only a positive impact on users of USPS Marketing Mail by increasing opportunity and should have only a negligible impact on Postal Service competitors. The Commission also finds that the proposed increase to the maximum weight limit for USPS Marketing Mail is in accordance with the policies and applicable criteria of chapter 36 of Title 39 of the United States Code."

Accordingly, in its conclusion, the commission stated:

"… the Postal Service may implement the proposed increase to the maximum weight limit for USPS Marketing Mail. The Postal Service shall notify the Commission of the effective date of the classification changes."

What's next

Whether the PRCs rejection of the proposed transfer of BPM to competitive products will dissuade the Postal Service from trying again remains to be seen. It's likely that the agency's lawyers have already parsed the commission's order to identify where their arguments were less than effective, and glean any insights into how a future filing might be adjusted to be more successful.

Reading the PRC's order clearly shows that, should the USPS make another run at moving BPM out of market-dominant products, it will need to develop more compelling arguments, less self-centered objectives thinly varnished as customer benefits, and more persuasive reasons to overcome BPM users' objections. As the saying goes, the Postal Service needs to decide whether the juice is worth the squeeze.

As for the higher weight limits for Marketing Mail, the USPS needs to decide how to implement them and any related classification changes that might be needed.

The parallel proposals the agency made last December were essentially a pair of gloves – two things intended to work together – but what it got back was only one glove, so now the Postal Service has to figure out its usefulness without the other glove, i.e., without the planned changes to BPM.

Because of the PRC's decision, the Mail Classification Schedule description of Marketing Mail was revised:

"Any mailable ~~matter~~ <u>letter</u> weighing less than 16 ounces, <u>flat weighing up to 24 ounces, or parcel weighing up to 15 pounds</u> may be mailed by USPS Marketing Mail service, except matter that is required to be mailed by First-Class Mail service or copies of a publication that is authorized to be entered as Periodicals mail."

The size and weight limits elsewhere in the MCS also were adjusted accordingly.

This leaves the USPS with the task of developing and getting approval from its governors to file a classification case (to be effective in January or July 2026) if it wants to further revise the MCS or, short of that, at least publishing a proposed rule in the *Federal Register* to define the *Domestic Mail Manual* eligibility, preparation, and other mailing standards necessary to implement the weight limit changes.

Also, because the prices that were approved by the PRC on May 30 reflected the "status quo," i.e., without any other changes to BPM or Marketing Mail, the Postal Service would need to develop rates for items eligible for the higher weight levels, prepare a PRC filing (alone or with classification changes) for approval by the governors, and go through the full ratesetting process. (The inclusion of additional rate cells for heavier Marketing Mail will necessitate adjustment to the other Marketing Mail rate cells to keep the overall increase for the class revenue neutral and within range permitted by the CPI-based cap and other factors.)

The agency had submitted "alternate" prices that would have applied had the commission approved the BPM proposal before May 30, but it's unknown how much of that work can be retooled by the costing and pricing team.

At this point, the USPS is, in a way, back to square one. It needs to decide what it wants to do about BPM – if anything – and with the heavier Marketing Mail that was approved. Whatever that may be, it won't be happening anytime soon.

OIG Examines Phoenix Area Operations

On June 11, the USPS Office of Inspector General released *Arizona-New Mexico District: Delivery Operations in the Phoenix, AZ Area*, a set of audit reports examining operations at five delivery units and two processing and distribution centers – the Phoenix P&DC and the West Valley P&DC.

Phoenix P&DC – findings and recommendations

The Phoenix P&DC, also the main Phoenix post office, is located east of downtown, about a mile from the Phoenix International Airport. In its report, the OIG detailed three findings and related recommendations:

- "**Finding #1: Delayed Mail.** [W]e identified 68 potentially delayed Priority Mail Express pieces that were not dispatched timely and were not reported as delayed in the Mail Condition Visualization (MCV) system. The manager stated this mail was scheduled to be dispatched at 6:20 p.m. the prior evening, but the plant did not receive the mail from the delivery unit before the truck left for the airport. … We also identified 2,569 delayed letters in the manual operation unit. … Management stated it did not know where to report potentially delayed Priority Mail Express in the MCV system. It further stated that it did not communicate this ongoing issue through the Mail Arrival Quality/Plant Arrival Quality (MAQ/PAQ) system because it only used the system to address concerns input by the delivery units. …"

The OIG offered three recommendations:

[1] "… verify that delayed Priority Mail Express pieces are documented in the Mail Condition Visualization system daily

[2] "… verify Priority Mail Express delays are entered in the Mail Arrival Quality/ Plant Arrival Quality system and coordinate with the Arizona - New Mexico District Manager to resolve Priority Mail Express issues

[3] "… provide stand-up talks to management and employees on the importance of following first-in-first-out procedures and monitor for compliance."

The OIG added that management "agreed with this finding and the associated recommendations."

- "**Finding #2: Late, Canceled, and Extra Outbound Trips.** From December 1, 2023, through November 30, 2024, there was a total of 15,442 outbound late trips, 15,006 outbound canceled trips, and 2,171 outbound extra trips at the Phoenix P&DC. These trips represented about 27.3% of all outbound trips at the facility.

  "Late and canceled outbound trips occurred primarily because the Phoenix P&DC was short on drivers. These shortages were due to changes in the transportation network occurring in the Phoenix area. Over the past year, a new RPDC started processing mail, which added network trips between existing P&DCs and the new facility. A zero-base study (also referred to as a PVS schedule review) was conducted in late November 2024, and this review determined that the Phoenix P&DC could hire 16 additional drivers. Management stated that the drivers were hired in December 2024 and are in the onboarding process. Late, canceled, and extra trips have improved since the zero-base study was conducted. Therefore, we are not making a recommendation due to the improvement shown at the Phoenix P&DC.

- "**Finding #3: Unload Scanning.** The Phoenix P&DC did not consistently meet the unload scanning goal. From December 1, 2023, to November 30, 2024, the average score for unload scanning was 89.69%. This is below the Postal Service's goal of 93.25% in FY 2024. The acting plant manager stated that unload scans were not being performed consistently due to a lack of management oversight and enforcement.

The OIG offered one recommendation; management "agreed with this finding and the associated recommendation."

[4] "… develop and implement a plan to verify scanning at the Phoenix P&DC is consistently completed in accordance with policy."

West Valley P&DC – findings and recommendations

The West Valley P&DC is located about two miles west of downtown and was the Priority Mail Processing Center. In its report, the OIG listed five findings and their associated recommendations:

- "**Finding #1: Delayed Mail.** We observed delayed mail in the facility on each day from January 14 through January 16, 2025. … Plant management correctly reported these delayed packages in the Mail Condition Visualization (MCV) system on each day of our observations. ... In addition, we identified poor placarding practices at the West Valley P&DC. ... Specifically, we observed numerous containers without placards throughout the workroom floor. We were unable to determine if the mail in these containers was delayed due to the missing placards.

  "According to plant management, the delayed mail was primarily due to increased volume from local parcel shippers and other processing regions. Specifically, from January to November 2024, the West Valley P&DC processed approximately 45.6 million (about 45.4%) more packages compared to the previous year. This occurred because in January 2024, the West Valley P&DC began temporarily serving as an RTH while the new Phoenix RPDC was under construction. However, as the RPDC began ramping up operations, it also needed staff; over 50 mail handlers were moved from West Valley P&DC to the RPDC. This slowed down operations at West Valley P&DC, and they have been hiring new staff since August 2024. This increased volume, along with staffing shortages, caused mail to be delayed."

Management agreed with the finding and the related recommendation:

[1] "… train mail clerks and supervisors on proper placarding in processing operations and verify these procedures are followed … ."

- "**Finding #2: Late, Canceled, and Extra Trips.** From December 1, 2023, through November 30, 2024, there were a total of 122,279 outbound trips from the West Valley P&DC. Of the total outbound trips, there were 26,465 late trips, 13,396 canceled trips, and 5,683 extra trips at the West Valley P&DC. These trips represent about 37.2% of all trips at the facility.

  "According to SVWeb data, and interviews with management officials, the top reasons for late outbound trips at the West Valley P&DC were dock congestion, dock personnel staffing issues and Postal Vehicle Service (PVS) driver availability. Plant management stated that increased transportation and a limited number of dock doors were the primary contributors to dock congestion. …"

The OIG noted that management "agreed with this finding and the associated recommendation":

[2] "… evaluate and adjust transportation schedules to reduce late and canceled trips at the West Valley [P&DC] once network changes have been implemented."

- "**Finding #3: Scan Compliance.** ... During the period we reviewed, the average compliance for load scanning was 90.05%, and 91.62% for unload scanning. Plant management attributed the inconsistent load and unload scanning to lack of management oversight, employee training and inoperable scanners. The plant manager acknowledged that supervisors are not always monitoring dock operations to verify load and unload scans are consistently completed. Additionally, the West Valley P&DC has scanners that frequently go offline or are inoperable.

Management agreed with the finding and the related recommendations:

[3] "… provide training to employees on proper scanning procedures and verify supervisors are monitoring scanning to improve compliance with load and unload scan goals …

[4] "… maintain a log of broken and out-for-repair scanners to assess whether scanners need to be replaced … ."

- "**Finding #4: Safety.** During our site observations, we observed a safety issue with trucks and trailers parked at the docks without wheel chocks to prevent them from rolling away. … The inconsistent use of wheel chocks was due to a lack of management oversight. … In response to our observations, management conducted reviews and stand-up talks with employees on the required use of wheel chocks. Therefore, we will not be making a recommendation regarding this matter."
- "**Finding #5: Preventive Maintenance.** We reviewed the electronic Conditioned Based Maintenance preventive maintenance records and found that preventive maintenance is not always being completed. … Preventive maintenance was frequently bypassed due to mail processing using machines through scheduled maintenance timeframes. Additionally, the Manager, Maintenance stated all machines are scheduled for preventive maintenance around the same time and there are not enough maintenance employees to complete these tasks as scheduled.

The OIG noted that management "agreed with this finding and the associated recommendation":

[5] "… adjust preventive maintenance windows and verify preventive maintenance is completed … ."

Observations

In addition to the "lack of management oversight" and training the OIG finds consistently, in Phoenix it again found that the USPS made changes to its network and facility functions without first ensuring adequate staffing and transportation for the impacted plants, resulting in delayed mail. Management did not explain this deficiency.

A Suggested To-Do List – *Commentary*

In the weeks remaining before David Steiner becomes postmaster general, there's predictable speculation about what he will do and how he will make his mark on the Postal Service – for better or worse. As might be expected, there are a lot of suggestions being advanced; here are ours:

1. **Pause the 10-Year Plan.** What may have been a roadmap for necessary improvements became a dogma to be implemented zealously, without in-process evaluation or adjustment. Don't be as antagonistically stubborn as Louis DeJoy.
2. **Affirm that the purpose of the USPS is to provide a public service.** Every other decision should be made accordingly. This is a case where you really can't serve two masters.
3. **Reject the notion that the USPS should – or can be – self-sustaining.** Public institutions established to provide a public good are not businesses established to provide profits to investors. Restore a sensible balance between service and cost management.
4. **Talk to Congress about the USO.** In a time of less mail to be delivered to more places, the economics of the 1970s no longer work; the costs of the retail and delivery networks are no longer supportable by postage from a shrinking number of mail users.
5. **Stop waiving the public service appropriation.** It's "only" $460 million, but that's better than nothing when you're as far in the red as the USPS.
6. **Fix service.** Set challenging service targets and meet them, don't just lower them until you can. Consider whether the "efficiency" of the "new" network is actually slowing service.
7. **Accept that providing quality service – value for the ratepayer's money – isn't always efficient.** Demonstrate that the USPS puts *service* first, even if doing so isn't as "efficient" as possible. It's ratepayers' postage that pays *your* bills, so don't keep asking them for more money without showing your service is worth it.
8. **Be honest about service performance.** Be truthful and transparent about service; mail users can tell when service is poor, and the Postal Service isn't fooling anybody with all the service measurement machinations it's adopted to produce prettier numbers. The calendar has no "day zero."
9. **Undo RTO.** It's the best example of efficiency overriding service. The impacted 47% of the US population (and 71% of ZIP Codes) shouldn't be deprived of afternoon collections simply because where they live isn't "efficient." And those customers don't care about your being "optimized."

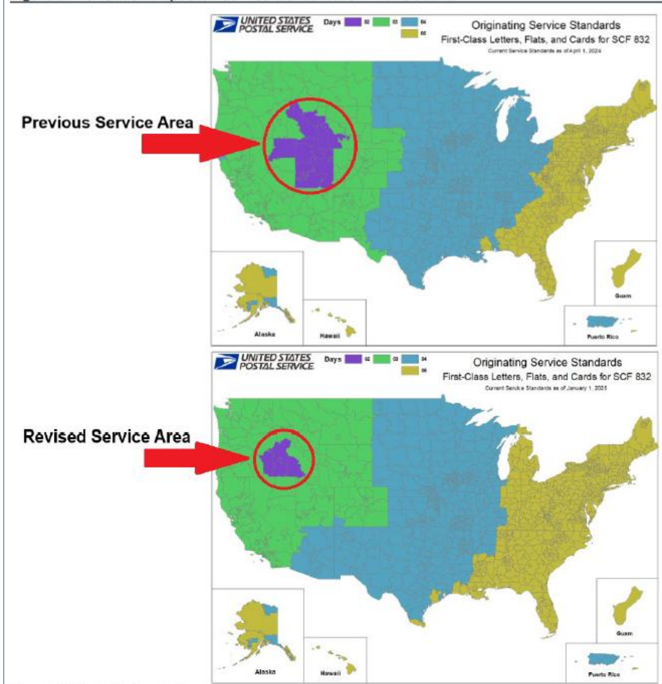
- 10. **Rethink the network changes.** The pre-DeJoy network may not have been as good as it could have been, but be sure that the replacement is really better. Restore air transportation (it's more expensive but also a lot faster) and end the obsession with "full trucks." Revalidate claims that investing billions will actually reduce costs and improve service.
- 11. **Reread the PSRA's requirement.** The requirement is for an "integrated network for the *delivery* of market-dominant and competitive products." It does not say that all mail has to be processed and transported together. Having Express Mail and direct mail ride together on the same "integrated" transportation (for the "efficiency" of "full trucks") undermines service and product/price differentiation.
- 12. **Return to an annual cycle of price changes.** The major customers who generate the lion's share of postage need predictability. Semi-annual changes don't improve what the CPI and the "adders" yield, and only generate chaos for ratepayers, commercial mail producers, and postal and private software developers.
- 13. **Recognize that the USPS exists to serve its customers, not the other way around.** Customers are not the enemy. Listen to them, and work with those who produce and pay for mail; their experience can be enlightening. End the DeJoy era us-vs-them mentality that inhibited open, transparent, and mutually-beneficial dialogue between USPS managers and the mailing industry.
- 14. **Rethink personnel policies.** In an era of declining volume, the USPS does not need to commit to more fixed-schedule employees when a more flexible workforce might be advisable. Reconsider locality pay scales; you getter better workers, and a more stable workforce, when you pay as well as the competition.
- 15. **Rework the functional management structure.** DeJoy liked the internal tension caused by the management silos he established, but they cause finger-pointing, a lack of communication and cooperation, and undermine individual accountability. Implement cross-functional communication and shared goals. Give managers clear guidance, appropriate authority, and hold them accountable. And in all things be transparent.
- 16. **Be skeptical of advice.** Headquarters and the Board have factions advancing their own interests, which won't necessarily be yours. Louis DeJoy's apostles remain and continue to promote his Plan. Seek advice from all quarters, especially from the field and from ratepayers. Search for candor and objectivity, and value those with the experience to know of what they speak.

Boise RPDC Reviewed by USPS OIG

In *Effectiveness of the New Regional Processing and Distribution Center in Boise, ID*, a report released June 16, the USPS Office of Inspecter General detailed its findings and recommendations following an audit of the facility's operations. As the OIG stated at the outset:

"In September 2023, the Postal Service approved a $12.3 million investment to convert the Boise, ID, Processing and Distribution Center (P&DC) into an RPDC. The plan was to reduce mail processing labor and contractor costs and realize net savings of $6.8 million over 10 years. The changes required to launch the Boise RPDC were much smaller in scale than other RPDCs. Specifically, the building was already a mail processing facility, only one new machine was added, and additional volume was consolidated from only two locations, the Salt Lake City P&DC and the Boise Terminal Handling Service (THS). In July 2023, it consolidated letters, flats, and package sorting from the Salt Lake City P&DC for certain ZIP Codes into the Boise P&DC. A year later, it consolidated the THS operations into the facility and implemented the Local Transportation Optimization (LTO) initiative in July 2024. The Boise P&DC was not officially designated as an RPDC until October 2024 and its service area now covers Boise and Pocatello, ID, and a portion of Utah, sorting all mail originating in the following 3-digit ZIP Codes: 832-834, 836-837, and 979."

Figure 6. Previous and Updated Service Standards for First-Class Mail



Source: PostalPro Service Standard Map.

Findings and recommendations

- "**Finding #1: Successful Implementation of the Boise Regional Processing and Distribution Center.** Overall, the Postal Service successfully implemented changes to launch the Boise RPDC and did not experience a significant decrease in service performance. The Postal Service learned from prior implementations, phased in operations, and did not implement multiple large scale network changes at the same time. … Service performance at the facility decreased during the Postal Service's 2023 and 2024 peak mailing seasons, October through January, but rebounded and were again in line with nationwide averages.

  "Based on the successful implementation of the Boise RDPC, the Postal Service should be able to implement future RPDC with similar pre-existing facilities with minor impacts on service performance. The Postal Service should continue to focus on lessons learned from prior challenges to improve upon the implementation of future RPDC. Since the Boise RPDC implementation did not have any major impact on service performance, we do not have any recommendations regarding improving implementation at this time."

- "**Finding #2: Service Standard Impacts Not Analyzed and Changes Not Communicated.** The Postal Service did not analyze potential service impacts to customers or seek customer input prior to consolidating mail for ZIP Codes 832 and 834 from the Salt Lake City P&DC into the Boise RPDC in July 2023. Once it consolidated mail, the Postal Service was no longer able to meet existing two-day service standards for that mail. ...

  "Eighteen months after consolidating the mail, the Postal Service revised its service standards for the region, but did not notify or seek public input on the service standard impacts.

  "The Postal Service is required to provide adequate public notice to affected communities when closing or consolidating a processing facility. ... The Postal Service must then consider that input before making a final decision. ... Postal Service management stated its long-standing interpretation of this requirement, which is that a review process is only required when all operations move outside a 'service area.' Since only ZIP Codes 832 and 834 were transferred from Salt Lake City P&DC to the Boise RPDC and several other ZIP Codes remained, the Postal Service did not complete this process because they did not move 'all' operations outside a service area."

The OIG did not offer a recommendation on this finding but did note that "Management did not respond to finding 2 in its official management comments." Perhaps the USPS lawyers urged a non-response rather than trying to explain the agency's hair-splitting interpretation of the law.

- "**Finding #3: Missed Savings Targets, Decreased Efficiency, and Increased Operating Costs.** The Postal Service did not meet its expected savings in FY 2024 from implementing the Boise RPDC. Further, since implementation, the facility has been less efficient in sorting mail and packages and uses excessive overtime to complete operations. Overall, total operating costs for Boise, RPDC, Pocatello LPC, and Salt Lake City P&DC increased over $14 million (or 11%) from FY 2023 to FY 2024.

  "As part of the investment justification for consolidating operations into the Boise RPDC, the Postal Service expected to save close to $7 million over the next 10 years. For FY 2024, it expected to reduce mail processing costs at Salt Lake City P&DC by $1.3 million, reduce maintenance labor at the Boise RPDC by $106,000, and save $555,000 by eliminating the Boise THS contract. The Postal Service did expect mail processing costs to increase at Boise by $1.4 million, for an overall net savings of $570,000 for FY 2024. However, the Postal Service did not achieve the expected mail processing and maintenance labor savings, instead spending over $5 million more than estimated. ...

  "The Boise RPDC was less efficient in sorting mail and packages in FY 2024 compared to FY 2023. Specifically, the facility processed fewer pieces per workhour for letters, packages, and manual operations. This led to the facility using 17,248 extra hours to process the mail compared to the rate at which it processed mail previously. The Postal Service would have saved over $800,000 if it were able to process mail volume at the same level of efficiency prior to implementation of the Boise RPDC.

  "The Boise RPDC used excessive overtime hours to complete mail processing operations. The Postal Service's nationwide goal is to limit overtime hours to 6.5% of all workhours. However, the Boise RPDC exceeded this rate by two and a half times. … This excess use of overtime has caused the Postal Service to incur over $1.6 million in questioned costs.

"Operating costs for the Boise, RPDC and Salt Lake City P&DC increased from FY 2023 to FY 2024 by a combined total of $14,684,490, or 11%. Most of the increase was due to increases in labor costs.

"The Postal Service does not plan to conduct a review of savings for the Boise RPDC. The Postal Service hired more people at the Boise RPDC than it planned for in its original projections. This has likely contributed to not meeting expected savings. …"

Table 1. FY 2024 Expected Versus Actual Savings

Savings Type	Expected Savings (Cost)	Actual Savings (Cost)	Difference
Maintenance Labor Savings	$106,000	$16,346	$(89,654)
THS Cost Savings	$555,000	$555,000	$-
Salt Lake City P&DC Labor Savings for Volume Transferred to Boise	$1,307,000	$(2,123,875)	$(3,430,875)
Labor Cost Increase at Boise	$(1,398,000)	$(3,592,112)	$(2,194,112)
Total	**$570,000**	**$(5,144,641)**	**$ (5,714,641)**

Source: USPS Decision Analysis Report for the Boise, ID, RPDC.

The OIG made three recommendations:

[1] "… review the planned savings projections for the Boise [RPDC], determine where efficiencies were not achieved, and adjust savings projections of future initiatives, as needed

[2] "… review mail processing operations to determine the cause of decreased efficiency and make adjustments as necessary

[3] "… review the facility's authorized complement to determine staffing needs and adjust the complement, as needed."

The OIG reported that "Management agreed with the monetary impact and with recommendations 1 and 2 and disagreed with recommendation 3. Management disagreed with the analysis of the causes of decreased efficiency in mail processing operations."

- "**Finding #4: Potential Overpayment for Transportation.** The Postal Service has not completed a cost-benefit analysis on insourcing some HCR services to Postal Vehicle Service (PVS) at the Boise RPDC. The Postal Service has completed this analysis at other sites, including RPDCs, and found significant cost savings by having PVS drivers transport some routes versus contracted transportation. We determined, of the 212 total outbound transportation trips from the Boise RPDC, 169 (79.7%) were under three hours and may be eligible for PVS.

  "[Previously, we] recommended the Vice President, Logistics, look at transportation services nationwide to insource highway contract routes when economically advantageous to the Postal Service and implement a waiver process when cost is not a main factor to insource. The Postal Service disagreed with this recommendation, and we are working with management through the resolution process to implement corrective actions. Therefore, we are not making additional recommendations at this time. …"

Observations

It's noteworthy that the OIG found that the Postal Service applied what it learned from previous RPDC openings to its work in implementing the Boise RPDC.

However, it's also noteworthy that the USPS again failed to deliver the savings it projected when justifying investment in the Boise facility. Making projections of costs or savings that are later found to be overly optimistic and unrealized is not unprecedented.

Just as in its decision to not reply to questions about service changes, that the USPS doesn't intend to "conduct a review of savings" suggests that – whether for service or missed savings – it would rather not ask a question whose answer it may not like, or wanted reported publicly.

Politicians Seek to Scrap USPS EVs

Members of the Senate who oppose what they consider the environmental aims of the prior administration are considering a measure to force the Postal Service to scrap its electric vehicles and their related infrastructure. As reported June 23 by *Reuters*, proponents claim that

"… scrapping EVs would 'focus USPS on delivering mail and not achieving the environmental aims pushed by the Biden administration' [and that the measure would allow the government] to reclaim more than $1 billion out of $3 billion Congress gave USPS in 2023 as part of a $430 billion climate bill to buy EVs and charging infrastructure, including $1.2 billion for electric vehicles."

Reuters added that, on June 13,

"USPS warned on June 13 that scrapping the electric vehicles would cost it $1.5 billion, including $1 billion to replace its current fleet of EVs and $500 million in EV infrastructure rendered useless and 'seriously cripple our ability to replace an aging and obsolete delivery fleet.'

"USPS told Congress that 'summarily removing all electric vehicles and charging infrastructure would hobble our ability to deliver to the American people, it would directly harm our ability to serve your constituents, and it would waste crucial funds for no reasonable purpose.'"

According to the report,

"… replacing the current 7,200 electric vehicles would directly cost the Postal Service at least $450 million, and the USPS has also spent $540 million on electrical infrastructure upgrades 'which is literally buried under parking lots, and there is no market for used charging equipment.' USPS would also face significant costs from Oshkosh for halting EV purchases under its contract. USPS said in December that purchases in 2025 would be around '50-50' EVs and gas-powered."

The agency plans to buy about 66,000 electric vehicles from various suppliers; deliveries have started. It currently has 7,200 eEVs, including Ford e-Transit trucks and Next Generation Delivery Vehicles produced by Oshkosh.

However, as also noted by *Reuters*

"Senate parliamentarian Elizabeth MacDonough, whose role is to ensure lawmakers follow proper legislative procedure, said a provision to force the sale could not be approved via a simple majority vote in the Republican-controlled chamber and will instead need a 60-vote supermajority, according to Democrats on the Senate Budget Committee. She ruled last week that Republicans cannot use the bill to overturn landmark rules to drastically reduce vehicle emissions and boost EV sales."

Given that the 53-seat majority in the Senate – that presumably would be in lock-step support of the measure – would need to be joined by at least seven members of the minority (that supported the prior administration) to form the supermajority, chances for passage of the bill, at least with the anti-EV measure included, are arguably less than desirable. Where incoming PMG David Steiner stands regarding the EVs is unknown, but we'll learn soon enough.

OIG Audits Charlotte RPDC Operations

On June 17, the USPS Office of Inspector General released *Efficiency of Operations at the Charlotte Regional Processing and Distribution Center, Gastonia, NC*, reporting its findings and related recommendations following an audit conducted earlier this year.

The Charlotte RPDC opened in later October 2023 and became fully operational on December 30. It gained the additional role of Regional Transfer Hub in February 2025. As the OIG noted, "[t]he Charlotte RPDC primarily processes packages, while the nearby Charlotte Local Processing Center primarily processes letters and flats."

Findings and recommendations

- "**Finding #1: Delayed Mail.** During our observations at the RPDC on April 8 through 10, 2025, we identified delayed mail daily totaling about 54,421 pieces. We identified packages in the Express Mail operation, registry cage, and in the manual package operation that were delayed or at risk of being delayed. … In addition, we identified poor placarding practices at the Charlotte RPDC. ... Specifically, we observed numerous containers without placards throughout the workroom floor. ...

  "Express Mail and registry items were primarily delayed due to transportation issues. Express Mail arrived late from delivery units and missed its outgoing transportation. Registry items missed the scheduled transportation due to trucks departing early. The delayed mail in the manual mail operations was primarily due to poor staffing and machine limitations. Specifically, the Charlotte RPDC has not been properly staffed since it became fully operational on December 30, 2023. …

  "Delayed mail was either not reported or underreported in the MCV system due to a lack of management oversight and incorrect categorization in the MCV system. … Additionally, management did not provide oversight to ensure all mail containers had a placard at the facility. Management acknowledged that containers did not always contain a placard. …"

The OIG provided six recommendations, and noted that management "agreed with this finding and the associated recommendations":

[1] "… use the Mail Arrival Quality/Plant Arrival Quality system to communicate and resolve issues with Express Mail arriving late from delivery units …

[2] "… ensure all registry items are dispatched timely …

[3] "… align staff with processing needs …

[4] "… develop and implement strategies to decrease the number of poly bag rejections on package processing machines …

[5] "… verify delayed mail counts are fully completed and entered correctly into the Mail Condition Visualization system …

[6] "… verify proper placarding procedures are followed …"

- "**Finding #2: Late, Canceled, and Extra Outbound Trips.** From March 1, 2024, through February 28, 2025, there were a total of 86,572 outbound trips from the Charlotte RPDC. Of the total outbound trips, there were 13,691 late trips and 18,652 canceled trips. Late and canceled trips represented about 37.4% of all outbound trips.

  "Late and canceled trips included freight auction, highway contract route (HCR), and postal vehicle service (PVS). We did not identify systemic issues with extra trips. Many canceled freight auction and HCR trips incurred fees. Approximately 95% of trips that were canceled were noted as canceled by Postal management and less than 2% were due to contractor failure or adverse weather.

  "The major contributors to late trips are delivery units sharing dock doors and departures scheduled around the same time. …"

The OIG noted that management "agreed with this finding and associated recommendation":

[7] "… complete a review of transportation schedules and identify and implement actions to address transportation needs to reduce late and canceled trips … ."

- "**Finding #3: Scan Compliance.** The Charlotte RPDC did not meet load scan and did not consistently meet the arrive scan goals. … Scanning was not performed consistently due to a lack of oversight by processing and logistics operations management. Specifically, Charlotte RPDC management acknowledged that supervisors are not always holding employees accountable. Additionally, many of the employees and supervisors are new and need additional training. …"

The OIG added that management "agreed with this finding and the associated recommendations":

[8] "… develop and implement a plan to verify scanning is consistently completed in accordance with policy …

[9] "… provide training to employees and supervisors on proper scanning procedures

- "**Finding #4: Security of Registry Items.** Employees at the Charlotte RPDC did not consistently follow procedures for the handling and security of registry items. Specifically, we observed unattended registry items outside of the registry cage. In addition, employees did not complete Postal Service (PS) Form 1625, *Record of Entry – Registry Section* properly. We did not observe the registry clerks signing in or out of the registry section when they left and returned, and the registry section did not have a separate PS Form 1625 for registry clerks.

  "Employees did not consistently follow procedures to safeguard Registered Mail due to a lack of management oversight. Management acknowledged that they do not provide adequate oversight to ensure registry policies and procedures are followed. Additionally, Management stated that the registry area is new and further training is needed."

The OIG offered two recommendations, and added that management "agreed with this finding and the associated recommendations":

[10] "… establish and maintain registry cage logs and properly secure registry items …

[11] "… provide training to employees on registry procedures … ."

- "**Finding #5: Safety.** During our site observations, we observed trucks and trailers parked at the docks without wheel chocks to prevent them from rolling away. Specifically, on the mornings of April 9 and 10, 2025, we observed a sample of 57 trucks and trailers parked at the dock, of which 30 did not use wheel chocks. In addition, hazardous material mail was observed comingled in the manual package operation.

  "Management at the Charlotte RPDC did not consistently enforce safety rules to properly secure trucks and trailers at the docks. Management acknowledged that they did not provide sufficient oversight to ensure safety rules were consistently followed. Further, plant management did not provide oversight to ensure hazardous mail is placed in its designated staging area and was not comingled in the manual package operations."

The OIG provided two recommendations, and noted that management "agreed with this finding and the associated recommendations":

[12] "… verify that all drivers are using wheel chocks …

[13] "… conduct regular sweeps to verify all hazardous materials are properly placed in their designated staging area … ."

Observations

Louis DeJoy used to complain about the OIG's findings, as if it were responsible for what was wrong. Never accepting the possibility of error in the implementation of his Plan, his response to audit findings was like blaming the doctor for determining that a patient was ill.

As for the OIG's findings, first, by the time of the OIG visit, the Charlotte RPDC had been in operation for well over a year, so it's interesting that the OIG found conditions that would be expected at a facility open only a month or two.

Second, if it weren't so serious, and so impactful on operations, it would be laughable that the OIG found in Charlotte, *as it finds in virtually every facility audit*, that a consistent major cause for its findings is a "lack of management oversight" and functional training.

Finally, the agency has shows repeatedly that it implements plans in a shoot-ready-aim fashion. Incredibly, it's repeatedly activated facilities and made changes to network facility roles without *first* ensuring that the facility is adequately staffed, and that transportation plans are up-to-date and aligned with processing operations.

Moreover, as the OIG keeps finding, the USPS further fails to ensure that staffs know their duties, are properly trained, and are accountable for doing their jobs properly. Spending billions on infrastructure while not spending relative pennies on training is shortsighted and neglectful management by the responsible senior USPS executives. The OIG can't be blamed for reporting on what's right in front of them.

Is the USPS Back in the Crosshairs?

In today's politically volatile environment, it difficult to interpret events to anticipate further developments with any useful degree of reliability. Even with that caveat in mind, however, more high-level meetings between postal officials, the administration, and the Department of Government Efficiency understandably engender concerns among ratepayers about what's being considered. As reported June 20 by *Government Executive*:

"The White House and its Department of Government Efficiency are spearheading efforts to shake up the Postal Service, according to details of the meetings obtained by *Government Executive*, with topics including pricing for mail and general reform proposals.

"The meetings were not clearly within the scope of a memorandum of understanding former Postmaster General Louis DeJoy signed with DOGE, [see the March 24 issue of *Mailers Hub News*] which focused on specific cost-cutting measures and real estate planning. Some of the meetings also involved top officials from the Treasury Department, White House attorneys and policy advisors and additional USPS executives. A source familiar with the meetings confirmed DOGE has been active at the Postal Service's Washington headquarters in recent months.

"The meetings began in late March, just days after DeJoy resigned amid pressure from the Trump administration. Acting Postmaster General Doug Tulino met with DOGE the day he was sworn into his new role to discuss ethics, according to details from the meeting. Two DOGE team members – Alex Simonpour and Ethan Shaotran, both of whom have MOUs of their own with USPS – were present, along with other postal executives.

"In April, Simonpour and Shaotran met again with Tulino and postal leaders, including Fiona Machado, USPS' director for pricing and costing strategy support. That was followed by another meeting with postal officials, including the new USPS Chief Financial Officer Luke Grossman, to discuss an exigent price increase. The Postal Service can request authority to implement rate hikes outside its normal price caps in emergency situations, which it has not done since 2013. …

"Earlier this month, [Domestic Policy Council member James] Sherk spearheaded a meeting with officials throughout the administration to discuss postal reform. ...

"The Postal Service declined to comment for this story. The White House and Treasury Department did not respond to multiple inquiries. …

"Prior to taking office this year, Trump suggested he might seek to privatize USPS entirely – resurrecting a proposal from his first term. Trump said in February, however, that the Postal Service would continue to exist as a public entity even if it was no longer a standalone agency. Elon Musk, who until recently led DOGE's efforts, subsequently said USPS should be privatized.

"Trump was considering signing an executive order to fold USPS into the Commerce Department, *The Washington Post* reported earlier this year, though that plan never came to fruition. ..."

Both of the "DOGE team members" are technically GSA employees detailed to the USPS, but the MOUs for the details clearly show their direct involvement in evaluating the agency. For example Simonpour's includes:

> The Detailee's duties and responsibilities at USPS are to support the Postmaster General with the assessment and enhancement of internal processes and operational procedures, specifically, focusing on identifying inefficiencies and areas for improvement and ensuring that the administrative and programmatic functions align with the best practices for effectiveness and accountability, consistent with title 39, United States Code.

Shaotran's MOU included more:

> The Detailee's duties and responsibilities at USPS are to support the Postmaster General with the assessment and enhancement of internal processes and operational procedures, specifically, focusing on identifying inefficiencies and areas for improvement and ensuring that the administrative and programmatic functions align with the best practices for effectiveness and accountability, consistent with title 39, United States Code.

This activity precedes the arrival of David Steiner, who was selected to be the 76th postmaster general last May but who will not take office until some time in July. Whether or how he was involved in, or briefed about, the reported meetings wasn't disclosed.

Though knowledgeable persons have denied any influence by the White House in Steiner's selection, it remains to be seen whether he will be able – or allowed – to make an independent evaluation of the agency's operations and strategies (and the 10-Year Plan) free of DOGE's influence.

The USPS – with a highly unionized workforce, a sprawling infrastructure, and an underfunded public service mandate – is an attractive target for those seeking to showcase greater "efficiency," whether through reductions in complement and service, further price hikes, or any degree of privatization. Hopefully, after those with a political agenda have had their way with the agency, what's left for mailers and ratepayers won't be little more than a trophy for DOGE.

House Hearing Reveals Unusual Consensus

On June 24, the House Committee on Oversight and Government Reform's Subcommittee on Government Operations held a hearing titled "The Route Forward for the U.S. Postal Service: A View from Stakeholders" to once again discuss the current status of the agency and get feedback on key issues.

Speaking to the panel were (l-r, below) Paul Steidler, Senior Fellow, Lexington Institute; Jim Cochrane, CEO, Package Shippers Association; Mike Plunkett, CEO and President, Association for Postal Commerce; Thomas Schatz, President, Citizens Against Government Waste; Elena Spatoulas Patel, Assistant Professor, Marriner Eccles Institute for Economics and Quantitative Analysis, University of Utah; and Brian Renfroe, President, National Association of Letter Carriers.

Each of the panelists prepared a written statement (available from the subcommittee website at https://oversight.house.gov/hearing/the-route-forward-for-the-u-s-postal-service-a-view-from-stakeholders/) and most of the subcommittee's ten member were present and engaged the witnesses during the hearing.

Common ideas

Unlike the hearings last year at which then-postmaster general Louis DeJoy sparred contentiously with those on the dais, the tone of the hearing was remarkably amicable, with the legislators' comments and questions unusually aligned.

Similarly, the statements and subsequent comments of the witnesses were largely in agreement – with each other and with the subcommittee members.

Perhaps not surprisingly, the group's consensus was around former PMG DeJoy's 10-Year Plan, with general concurrence that it should be paused, at least. In particular, ending the pattern of steep price increases, reconsidering network changes, and restoring worksharing (or "privatization" of the middle mile as some preferred to call it) was widely supported, but ending Regional Transportation Optimization was on everyone's list.

The increase in the postal workforce, especially of regular (career) workers, at a time of declining mail volume was a source of discontent for many on the panel and the committee; none offered any defense for DeJoy's decisions in that regard.

The term "efficiency" was thoroughly exercised during the hearing, in itself and as an objective of cost reductions. The proportion of overall USPS costs represented by labor was acknowledged to be a particular focus for legislators looking to improve the Postal Service's finances.

Repeatedly, the conversation examined the connections between cost and service, reduced worksharing and increased insourcing of work, and what could be done to alter the current trendlines of expense and service. During such discussions is when the privatization topic arose.

The witnesses were very careful to reframe the matter and respond to legislators' interests in two ways.

First, they plainly discouraged a wholesale privatization of the USPS, arguing that it would fail to support the agency's public service mission, particularly in rural areas where service would be more costly; adopting a more European model or privatizing pieces would hardly be any better.

Second, and most timely, the panelists noted that, prior to DeJoy's administration, the Postal Service's middle mile was already heavily "privatized." Mail producers and consolidators, as well as transportation contractors and logistics service providers, had enabled widespread bypassing of postal processing and transportation for years, encouraged by worksharing discounts based on USPS costs avoided. DeJoy had reversed this practice, taking work back in-house, requiring (or, in the view of some, justifying) his investments in processing infrastructure and increases in complement.

If anyone at USPS HQ was listening, the message was clear.

Other notable points

The governors of the USPS did not escape being taken to task for doing nothing to slow or alter the course of The Plan's implementation; only Governor Ron Stroman was spared criticism for the board's failure to speak up as The Plan pushed on despite financial and service metrics arguing otherwise. One witness even advocated eliminating the current board, though suggesting a comparable replacement that would have better pay to, presumably, attract higher-caliber candidates.

The current ban on investing USPS retirement funds in anything other than Treasury notes was also faulted, with many noting the magnitude of additional revenue even modest investment in the marketplace could generate.

Perhaps the most important comment – and one that got little follow-up, unfortunately – was made by Elena Patel. She stated quite flatly that the Postal Service funding model was broken and that Congress needed to consider public funding for its public service obligations. As she accurately observed, revenue from First-Class Mail, once the primary funding for the universal service obligation, is in decline because of digital communications, while the cost of the USO – six-day delivery and local retail post offices – continues to climb.

The realities of the situation have never been faced by Congress; the notion of a "bail-out" always is overlayed on the simple economics of how to pay for serving more people in more places with less postage revenue every year. Perhaps the hearing will cause some minds to finally see the problem.

PRC Questions USPS Service Measurement Proposal

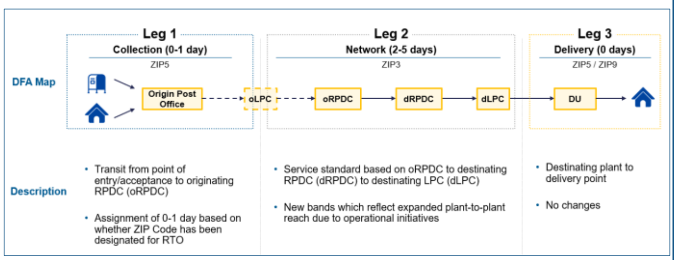
In a June 27 order (Order No. 8942), the Postal Regulatory Commission expressed serious concerns over whether the Postal Service's proposed changes to its internal service measurement system, filed May 30, will result in accurate measurement and reporting.

The proposal

As summarized by the PRC,

> "The planned revisions to the SPM Plan and related design documents are intended to 'allow the Postal Service to collect and report performance data at the 5-Digit level.' To enable service performance measurement at the 5-Digit ZIP Code level, the Postal Service plans to 'leverage a cluster sampling approach in conjunction with [Collection Point Management System ("CPMS")] scans, census package data, and geo-location breadcrumbs ... .'"

The USPS would also use terminology similar to that used in recent descriptions of its processing network: "Leg 1" is the "first mile," i.e., from the point of mailing to the origin processing facility; "Leg 2" is the "middle mile" from there to the destination processing center; and "Leg 3" is the "last mile" from the destination processing center to delivery.



Changes to the measurement system are planned for implementation for Leg 3 on July 1, and for Leg 1 on September 1.

The order

In its order, the commission stated:

> "The Commission is empowered to regulate the Postal Service's internal service performance measurement systems. Specifically, the Postal Service may use an internal service performance measurement system in lieu of an external service performance measurement system to assess compliance with service performance standards for Market Dominant products only if approved by the Commission. As the Commission explained when conditionally approving the Postal Service to use the Internal SPM System as the system of record beginning in FY 2019, the Commission must be persuaded that SPM is capable of producing accurate, reliable, and representative performance data.
>
> "After review and consideration of the Postal Service's filings supporting the planned revisions to SPM, the Commission finds that the Postal Service has not provided sufficient information for the Commission to evaluate whether the planned changes will result in accurate, reliable, and useful measurement and reporting of service performance at the 5-Digit level. Moreover, the Postal Service's filings do not provide sufficient information for the Commission to evaluate whether SPM will continue to produce accurate, reliable, and representative data at the 5-Digit level. Therefore, the Commission will consider in Docket No. RM2024-9, a pre-existing docket dedicated to reviewing the ongoing accuracy, reliability, and representativeness of SPM, '[whether these] changes might have a material impact on the accuracy, reliability, or utility of the reported measurement.' Additionally, the Commission will evaluate if, under the planned future state of SPM, it appears that 'the quality of service data [will] become significantly inaccurate or can be significantly improved; or ... [whether] ... revisions are, in the judgment of the Commission, otherwise necessitated by the public interest.' Such evaluation is critical to the Commission's determination of whether the planned future state of SPM will allow the Postal Service to comply with its reporting obligations pursuant to [statute], and ultimately whether service performance for a given fiscal year complies with applicable service standards pursuant to [statute]. While the Commission considers these matters, the Commission imposes additional interim reporting requirements on the Postal Service ... ."

The PRC also recommended that the USPS not implement the first phase of its proposed changes on July 1, as it plans, given the David Steiner will be sworn in as postmaster general later in the month:

> "The Commission notes that the Postal Service has scheduled these changes to take effect during a period of significant transition, including the imminent arrival of new leadership. Given the scope of the planned changes, it is important to ensure the incoming Postmaster General has sufficient opportunity to review and, if appropriate, endorse them to support effective oversight of service performance measurement. Accordingly, and in view of the concerns identified below, the Commission strongly recommends that the Postal Service delay implementation of these changes at the present time."

As the commission summarized,

> "Based on its thorough review of the Postal Service's filings to date, the Commission identifies several serious issues that potentially threaten the ability of SPM to produce accurate, reliable, and representative results at the 5-Digit level. ...
>
> "... for both Leg 1 and Leg 3, the Postal Service plans to use scan data from packages to augment the data collected on Market Dominant mail. The Postal Service has not explained how the use of such data would improve the accuracy, reliability, or representativeness of SPM. Also, for both Leg 1 and Leg 3, the Postal Service plans on using 'cluster sampling' to augment the calculations for 5-Digit ZIP Codes with low sample data. The Postal Service has not explained how this clustering approach was developed or how this approach is appropriate, statistically valid, or economically efficient. For both Leg 1 and Leg 3, the Postal Service is planning to use a new statistical approach but has not provided calculations of statistical significance to demonstrate that the new statistical approach would be accurate, reliable, and representative."

The PRC ordered the USPS and other participating parties to provide additional information by specific deadlines later in July to the address the concerns it expressed in the order.

Observations

The commission's evaluation of the Postal Service's proposal seems more than well-founded; it heard a similar "trust us" approach during the agency's plan for new, reduced, service standards last year. Since then, despite the assurances and easier targets, USPS service remains mostly below par.

The PRC also knows that a significant portion of the mailstream isn't "in measurement" now, and that the Postal Service uses fifteen reasons to justify such exclusions, aside from the device of a "Day 0" to exclude mail impacted by the Regional Transportation Optimization initiative.

As has been noted before, it's doubtful that the USPS would design a measurement scheme that didn't assure laudatory results; the PRC seems to have already noticed.

USPS Releases FY2024 *Household Diary Study*

On June 26, the Postal Service filed its *FY2024 Household Diary Study* with the Postal Regulatory Commission. As the USPS explained,

"The main objectives of the study are to:

- Measure the types and volumes of mail sent and received by US households,
- Track trends in mail usage over time, and
- Compare mail usage by household demographic characteristics.

"The report examines these trends in the context of changes and developments in the markets in which the US Postal Service operates: correspondence, transactions, advertising, periodicals, and package deliveries.

"The Household Diary Study survey, conducted each year since 1987, collects information about households' use of mail and how usage changes over time. The HDS consists of two surveys of households. The first survey is a preliminary *recruitment survey* which gathers information about household demographics and methods the household uses to pay and receive bills and statements, household attitudes toward mail advertising, and other information related to their use of the mail. The second survey is a *mail diary* in which households report the volumes and types of mail they received and sent during a given week."

Overview

A high-level overview was offered at the start of the 91-page document, including:

- "… US households received an average of 644 pieces of mail from non-households. Households sent an average of 19 pieces to non-households and there was an average of 19 pieces of mail sent from one household to another. Overall, total mail received or sent by households equaled 682 pieces per household in 2024.
- "… Of the 682 pieces of mail received and sent per household in 2024, 97 pieces were correspondence mail and 111 pieces were transactions mail. Most household mail was advertising mail with 410 pieces received per household in 2024. In addition, households received an average of 20 periodicals in 2024 and received or sent 52 packages.

Table E.2: Household Mail Volume Sent and Received by Mail Market Served
(Pieces per Household per Year)

Market	2014	2019	2024	Change 2014 - 2024	Change 2019 - 2024
Correspondence	135.1	117.5	97.2	-28%	-17%
Transactions	214.7	159.1	111.0	-48%	-30%
Advertising	673.5	587.8	409.9	-39%	-30%
Periodicals	43.3	32.4	19.9	-54%	-39%
Packages	28.3	37.7	51.8	83%	37%
Other	21.2	14.7	6.0	-72%	-59%
Total	1074.7	921.8	682.0	-37%	-26%

- "Total household mail has been in decline for nearly twenty years. As shown in Table E.2, mail per household fell 37% from 2014 to 2024 and 26% from 2019 to 2024. Most of this decline is due to the ongoing shift of mail to various electronic alternatives available online and through other technologies. In addition, the social and economic disruptions caused by the COVID-19 pandemic negatively impacted many mail categories, most substantially advertising mail.
- "Focusing on the past ten years, per household volumes of correspondence mail declined 28%, transactions mail declined 48%, advertising mail declined 39%, and periodicals mail declined 54%. Note that because the total number of US households grew 10% over the past decade, the declines in total mail volumes were less than the declines measured on a per household basis.
- "The exception to this decline in mail volume was seen with packages which increased 83% from 2014 to 2024, and 37% from 2019 to 2024. The increase in package volumes is a result of the growth in online shopping and e-commerce over the past decade, along with the surge in online shopping during the pandemic.
- "However, except for the benefit that growing use of online shopping has had on USPS package volumes, technological changes have mostly harmed mail volumes. A related development is the greater decline in mail volumes among younger households, which are more likely to be comfortable with using technological alternatives to the mail. …

Table E.5: Reading and Response Rates to Marketing Mail Advertising by Past Relationship
(Percentage of Pieces)

Past Business Relationship with Recipient	Reading Rate	Response Rate
Existing Customers	59%	15%
Prospects	26%	2%
All Recipients	42%	8%

- "Advertising mail accounted for 60% of all household mail in 2024. Although advertising mail has declined over the past decade, it continues to be an effective way of reaching both existing and prospective customers. Table E.5 shows that 59% of advertising mail sent to existing customers is read by the recipients, and for 15% of this mail the recipient says they are considering responding to the mailing. Reading and response rates are lower for prospective customers – those that do not have a past relationship with the mailer – but they are still an indication that direct mail continues to be an effective way for businesses to expand their customer base.

Table E.6: Postal Service Periodical Type by Year
(Pieces per Household per Year)

Periodical Type	2014	2019	2024	% change 2014-2024	% change 2019-2024
Magazines	34.3	23.6	12.4	-64%	-48%
Newspapers	6.5	5.6	6.1	-6%	8%
Newsletters	1.7	2.4	1.1	-39%	-55%
Unclassified	0.8	0.8	0.4	-56%	-58%
Total Periodicals	43.3	32.4	19.9	-54%	-39%

- "Periodical mail volumes recorded in this report include only periodicals delivered by the USPS. Table E.6 shows that in 2024, households received an average of 20 periodicals, of which a little more than 12 were magazines, with newspapers being the second largest periodical category at about 6 pieces per household per year. Table E.6 also shows that magazines received have fallen 64% over the past ten years while newspapers received have fallen just 6%. However, the small decline in newspapers received is primarily because most of the decline in newspaper circulation occurred in the years before 2014."

Unfortunately, commercial mail producers and their clients are well aware of not only the changing demand for hard-copy mail but the evolving communication behavior of mail recipients. As those trends continue, marketers will continue to be challenged to not only get their messages into households, but to get them opened and read, and incite a positive response.

The full study is available from the PRC website at https://prc.arkcase.com/portal/filings/136908.

USPS Reminds About End of NDC Destination Entry Discount

In an *Industry Alert* issued June 26, the Postal Service reminded mailers that NDC entry discounts are being eliminated in two weeks:

"Effective July 13, 2025, the Postal Service will be eliminating the Destination Entry discounts for Network Distribution Center (NDC) volumes for all Market Dominant products and Parcel Select. The NDC presort discounts for USPS Marketing Mail Parcels will remain in effect at this time (the Postal Service currently intends to eliminate those discounts in the next Market Dominant price change, pending PRC approval).

"Per the *Industry Alert* on Plant Verified Drop Shipment Updates issued June 10, 2025, PVDS mailings verified and paid for on or before July 13, 2025, using the current prices will be accepted at destination entry postal facilities through Monday, July 28, 2025, when presented using eInduction or eVS processes or with appropriate verification and payment documentation (PS Form 8125 or PS Form 8017). NDC drop shipments in compliance with this timeframe will receive the NDC entry discounts.

"With the elimination of the NDC entry discounts, mailers and customers should no longer create NDC or Mixed NDC Containers/Pallets. These volumes will be combined on to a new container labeled Mixed Working or MXD WKG. These containers must be entered at the origin office/plant appropriate to the mailers/customers mail acceptance site. If you have Area Distribution Center (ADC), Sectional Center Facility (SCF), 3-Digit, 5-Digit, or finer trays/tubs/bundles on the MXD WKG containers, you will still get the appropriate presort discounts for those volumes as appropriate for the mail class.

"The Postal Service understands that mailers may be preparing certain classes/products well in advance of mailing using existing DMM requirements. So, they will have NDC containers already created for entry. Mailers and customers will still be able to enter those containers at origin until August 31, 2025, but will receive no entry discounts. USPS has worked with internal programs to remap those designated containers so they will not receive the eliminated discount and to ensure that no mailers are charged for Mailer Scorecard errors for these NDC containers during this period. No NDC prepped mail will be turned away during this period.

"If you have additional questions regarding this change, please reach out to your local mail acceptance staff, Business Network Service representatives, or Product Classification at productclassification@usps.gov."

Commercial mail producers have criticized the decision to eliminate the NDC destination entry discount, but more so the Postal Service's direction to prepare the mail instead for working at the origin post office or plant.

Likely still implementing the policies of former postmaster general Louis DeJoy, hardly a supporter of worksharing, USPS operations and logistics executives are adding work for postal employees and facilities that could be – and was – performed by mail producers specifically so the delays of postal processing and transportation *could be avoided*.

As the scores for commonly *destination*-entered Marketing Mail show, service performance is better than for typically *origin*-entered First-Class Mail. Nonetheless, the USPS has offered no compelling explanation for why its costs and service won't be adversely impacted as more volume needs to go through – rather than bypass – its processing and transportation networks. Few observers can conclude other than that insourcing is just to keep redundant employees busy.

May Financials: The Monthly Losses Continue

The Postal Service often cites the desirability of consistency, referring to its service (another story altogether), but its most consistent performance so far in 2025 is monthly financial losses, and May continued the pattern. Despite using fewer workhours, and the benefit of a favorable swing in the workers compensation liability, the agency still posted a $721 million net loss for the month.

Volume and revenue

Compared to May 2024, market-dominant mail volume was down 3.8% while competitive product volume – more important to the 10-Year Plan – fell 8.0%. Total volume for the month was 4.0% lower that the previous May:

First-Class Mail: 3.322 bln pcs, -6.1%; 29.188 bln pcs, -4.9% YTD
Marketing Mail: 4.710 bln pcs, -1.4%; 39.065 bln pcs, +0.7% YTD
Periodicals: 0.217 bln pcs, -13.8%; 1.690 bln pcs, -10.3% YTD
Total Mkt Dom: 8.298 bln pcs, -3.8%; 70.498 bln pcs, -2.0% YTD
Total Competitive: 0.522 bln pcs, -8.0%; 4.438 bln pcs, -4.1% YTD
Total USPS: 8.838 bln pcs, -4.0%; 75.122 bln pcs, -2.1% YTD

Total revenue was 3.5% below plan and 1.0% less than May 2024; positive income during the first quarter is long gone, so the net loss for the year to date was $4.719 billion, only $178 million better than at the end of last May.

Despite price increases on market-dominant mail totaling over 7.75% since May 2024, year-to-date market-dominant mail revenue was only 2.0% higher – with the leaner months still to come.

USPS operating revenue for the month was $6.365 billion:

First-Class Mail: $1.933 bln, -3.0%; $17.663 bln, +1.8% YTD
Marketing Mail: $1.295 bln, +2.5%; $10.745 bln, +4.0% YTD
Periodicals: $0.076 bln, -6.1%; $0.601 bln, -2.1% YTD
Total Mkt Dominant: $3.596 bln, -1.3%; $31.412 bln, +2.0% YTD
Total Competitive: $2.668 bln, -0.4%; $22.792 bln, +1.8% YTD
Total USPS: $6.365 bln, -1.1%; $55.127 bln, +1.7% YTD

Expenses and workhours

Total "controllable" compensation and benefit costs in May were $5.203 billion, 3.2% over plan and 0.8% higher than May 2024; total expenses were $7.154 billion, 2.4% under plan and 8.3% lower than a year earlier.

A $670 million favorable shift in the workers' compensation expense from last May (and $520 million for the YTD) clearly helped the bottom line for both the month and the YTD.

Workhour usage was 0.9% over plan but 2.0% lower than Mary 2024, while total workhours for the year-to-date were 0.3% over plan and 1.2% under SPLY YTD. The total workforce was smaller, thanks to employees leaving under an "early-out" offer effective April 30.

Month's end complement: 625,178 employees (529,001 career, 96,177 non-career) **-2.94%** compared to May 2024 (644,102 employees: 533,048 career, 111,054 non-career), but **0.76% fewer** *career* workers.

All the numbers are on the next page.

USPS Preliminary Information (Unaudited) – May 2025 [1]

OPERATING DATA OVERVIEW [1,2]	Current Period					Year-to-Date				
Revenue/Volume/Workhours (Millions)	**Actual**	**Plan**	**SPLY**	**% Plan Var**	**% SPLY Var**	**Actual**	**Plan**	**SPLY [5]**	**% Plan Var**	**% SPLY Var**
Revenue										
Operating Revenue	$6,365	$6,594	$6,432	-3.5%	-1.0%	$55,127	$56,406	$54,208	-2.3%	1.7%
Other Revenue	--	$1	--	-100.0%	NMF	$125	$4	$5	NMF	NMF
Total Revenue	$6,365	$6,595	$6,432	-3.5%	-1.0%	$55,252	$56,410	$54,213	-0.0%	1.9%
Operating Expenses										
Personnel Compensation and Benefits	$5,393	$5,526	$5,998	-2.4%	-10.1%	$46,162	$45,284	$45,112	1.9%	2.3%
Transportation	$697	$655	$709	6.4%	-1.7%	$5,599	$5,677	$6,092	-1.4%	-8.1%
Supplies and Services	$263	$285	$289	-7.7%	-9.0%	$2,224	$2,369	$2,277	-6.1%	-2.3%
Other Expenses	$756	$815	$757	-7.2%	-0.1%	$6,157	$6,21	$5,913	-1.0%	4.1%
Total Operating Expenses	$7,109	$7,281	$7,753	-2.4%	-8.3%	$60,142	$59,548	$59,394	1.0%	1.3%
Net Operating Income/Loss	**-$744**	-$686	-$1,321			**-$4,890**	-$3,138	-$5,181		
Interest Income	$68	$46	$65	47.8%	4.6%	$542	$447	$645	21.3%	-16.0%
Interest Expense	$45	$46	$49	-2.2%	-8.2%	$371	$386	$361	-3.9%	2.8%
Net Income/Loss	**-$721**	-$686	-$1,305			**-$4,719**	-$3,077	-$4,897		
Mail Volume										
Total Market Dominant Products [3]	8,298	7,999	8,622	3.7%	-3.8%	70,498	69,325	71,935	1.7%	-2.0%
Total Competitive Products [3]	522	590	568	-11.5%	-8.1%	4,438	4,671	4,626	-5.0%	-4.1%
Total International Products	18	19	20	-6.3%	-10.0%	186	188	206	-1.1%	-9.7%
Total Mail Volume	8,838	8,608	9,210	2.7%	-4.0%	75,122	74,184	76,767	1.3%	-2.1%
Total Workhours	95	94	97	1.1%	-2.1%	764	762	773	0.3%	-1.2%
Total Career Employees	**529,001**		533,048		**-0.8%**					
Total Non-Career Employees	**96,177**		111,054		**-13.4%**					

MAIL VOLUME and REVENUE [1,2]	Current period			Year-to-Date		
Pieces and Dollars (Thousands)	**Actual**	**SPLY**	**% SPLY Var**	**Actual**	**SPLY**	**% SPLY Var**
First Class (excl. all parcels and Int'l.)						
Volume	3,321,708	3,537,983	-6.1%	29,187,883	30,689,126	-4.9%
Revenue	$1,933,133	$1,993,792	-3.0%	$17,663,373	$17,344,682	1.8%
Periodicals						
Volume	217,062	251,856	-13.8%	1,689,514	1,882,895	-10.3%
Revenue	$76,255	$81,186	-6.1%	$601,000	$613,683	-2.1%
Marketing Mail (excl. all parcels and Int'l.)						
Volume	4,709,976	4,778,458	-1.4%	39,064,932	38,777,713	0.7%
Revenue	$1,295,284	$1,263,642	2.5%	$10,745,124	$10,329,919	4.0%
Package Svcs. (ex. Inb'd. Intl Surf. PP @ UPU rates)						
Volume	29,146	33,181	-12.2%	273,304	293,136	-6.8%
Revenue	$69,996	$69,634	0.5%	$615,694	$618,164	-0.4%
All other Market Dominant Mail						
Volume	19,697	20,920	-5.8%	282,059	292,613	-3.6%
Revenue	$220,991	$236,254	-6.5%	$1,787,300	$1,902,733	-6.1%
Total Market Dominant Products *(ex. all Int'l.)*						
Volume	8,297,589	8,622,398	-3.8%	70,497,692	71,935,483	-2.0%
Revenue	$3,595,659	$3,644,508	-1.3%	$31,412,491	$30,809,181	2.0%
Shipping and Package Services						
Volume	522,133	567,665	-8.0%	4,438,236	4,626,472	-4.1%
Revenue	$2,553,330	$2,568,800	-0.6%	$21,800,455	$21,394,221	1.9%
All other Competitive Products						
Volume	-	-	0.0%	-	-	0.0%
Revenue	$115,136	$109,246	5.4%	$991,889	$993,131	-0.1%
Total Competitive Products *(ex. all Int'l.)*						
Volume	522,133	567,665	-8.0%	4,438,236	4,626,472	-4.1%
Revenue	$2,668,466	$2,678,046	-0.4%	$22,792,344	$22,387,352	1.8%
Total International [4]						
Volume	17,861	20,222	-11.7%	185,616	206,478	-10.1%
Revenue	$101,063	$110,191	-8.3%	$922,216	$1,011,469	-8.8%
Total						
Volume	**8,837,583**	9,210,285	**-4.0%**	**75,121,544**	76,768,433	**-2.1%**
Revenue	**$6,365,188**	$6,432,745	**-1.1%**	**$55,127,051**	$54,208,002	**1.7%**

EXPENSES OVERVIEW [1,2]	Current Period					Year-to-Date				
Dollars (Millions)	**Actual**	**Plan**	**SPLY**	**% Plan Var**	**% SPLY Var**	**Actual**	**Plan**	**SPLY**	**% Plan Var**	**% SPLY Var**
Controllable Pers. Comp. & Benefits	$5,203	$5,043	$5,162	3.2%	0.8%	$42,118	$41,417	$40,749	1.7%	3.4%
FERS Unfunded Liabilities Amortization [6]	$200	$200	$192	0.0%	4.2%	$1,600	$1,600	$1,533	0.0%	4.4%
CSRS Unfunded Liabilities Amortization [6]	$283	$283	$267	0.0%	6.0%	$2,267	$2,267	$2,133	0.0%	6.3%
Workers' Compensation [7]	-$293	$ --	$377	NMF	-177.7%	$177	$ --	$697	NMF	-74.6%
Total Pers. Comp. & Benefits	$5,393	$5,526	$5,998	-2.4%	-10.1%	$46,162	$45,284	$45,112	1.9%	2.3%
Total Non-Personnel Expenses	$1,716	$1,755	$1,755	-2.2%	-2.2%	$13,980	$14,264	$14,282	-2.0%	-2.1%
Total Expenses (incl. interest)	**$7,154**	$7,327	$7,802	**-2.4%**	**-8.3%**	**$60,513**	$59,934	$59,755	**1.0%**	**1.3%**

WORKHOURS [1,2,3]	Current Period					Year-to-Date				
Workhours (Thousands)	**Actual**	**Plan**	**SPLY**	**% Plan Var**	**% SPLY Var**	**Actual**	**Plan**	**SPLY**	**% Plan Var**	**% SPLY Var**
City Delivery	34,609	34,917	35,707	-0.9%	-3.1%	277,905	279,367	284,537	-0.5%	-2.3%
Mail Processing	15,465	14,262	15,216	8.4%	1.6%	129,196	124,269	130,445	4.0%	-1.0%
Customer Services & Retail	10,965	11,388	11,867	-3.7%	-7.6%	91,929	91,950	95,748	-0.0%	-4.0%
Rural Delivery	19,115	18,892	19,022	1.2%	0.5%	150,155	150,754	148,748	-0.4%	0.9%
Other	14,468	14,305	14,736	1.1%	-1.8%	114,942	115,829	113,779	-0.8%	1.0%
Total Workhours	**94,622**	93,764	96,548	**0.9%**	**-2.0%**	**764,127**	762,169	773,257	**0.3%**	**-1.2%**

[1]/May 2025 had the same number of delivery and .75 fewer retail days compared to May 2024. YTD has one fewer delivery day and 2.5 fewer retail days compared to the same period last year (SPLY). [2]/Numbers may not add due to rounding and/or adjustments. Percentages calculated using unrounded numbers. The sampling portion of the RPW system is designed to be statistically valid on a quarterly and annual basis. [3]/Excludes all International. [4]/Includes Current Period Market Dominant Volume of 9,095 and Revenue of $15,050; SPLY Market Dominant Volume of 9,826 (-7.4%) and Revenue of $14,365 (-10.2%). Also includes Current Period Competitive Volume of 8,766 and Revenue of $86,013; SPLY Competitive Volume of 10,396 (-15.7%) and Revenue of $95,826 (+2.8%). [5]/ This represents the US Office of Personnel Management (OPM) estimated amortization expense related to the Federal Employee Retirement System (FERS) and Civil Service Retirement System (CSRS). The actual invoices will be received between September 2025 and October 2025. [6]/This represents non-cash adjustments: the impact of discount and inflation rate changes and the actuarial revaluation of new and existing cases. NMF = Not Meaningful Figure, percentages +/- 200% or greater.

All the Official Stuff

Federal Register

Postal Service

NOTICES

June 20: International Product Change: Priority Mail Express International, Priority Mail International, and First-Class Package International Service Agreements, 26335.

June 25: Product Change [33]: Priority Mail Express, Priority Mail, and USPS Ground Advantage Negotiated Service Agreements [4]; Priority Mail, and USPS Ground Advantage Negotiated Service Agreements [10]; Priority Mail Negotiated Service Agreements [19], 27060-27061.

PROPOSED RULES

[None].

FINAL RULES

June 17: Equal Access to Justice Act in Postal Service Proceedings, 25501

June 18: Rules of Practice Before the Postal Service Board of Contract Appeals, 25895-25901.

June 20: International Mailing Services: Price Changes, 26206-26207.

Postal Regulatory Commission

NOTICES

June 17: New Postal Products [2], 25648-25649, 25651-25652; Deadline To File a Notice of Intervention, 25649-25650; Streamlined Negotiated Service Agreement Review and New Postal Product, 25650-25651.

June 18: New Postal Products, 26071-26072.

June 20: New Postal Products, 26334-26335.

June 23: New Postal Products, 26625-26626.

June 25: New Postal Products [2], 27058-27059, 27059-27060.

June 27: New Postal Products, 27677-27678.

June 30: New Postal Products, 27881-27882.

PROPOSED RULES

[None].

FINAL RULES

[None].

DMM Advisory

June 18: International Service Suspension Notice – effective June 20, 2025. [**Iran, Iraq, Israel**]

Postal Bulletin (PB 22679, June 26)

- Effective **July 13**, the Postal Service will revise the DMM to reflect changes to certain prices and mailing standards for the following competitive products: Priority Mail Express; Priority Mail; USPS Ground Advantage; Parcel Select; Extra Services; Return Services; Mailer Services; Recipient Services; Other. This article describes new prices and product features for competitive products established by the Governors of the United States Postal Service. New prices are available on the Postal Explorer website at pe.usps.com.
- Effective **July 13**, the Postal Service will revise the DMM in various sections, to reflect changes effective July 13, 2025, to prices and mailing standards for Postal Service domestic market-dominant products as established by the Board of Governors of the United States Postal Service. On May 30, 2025, the Postal Regulatory Commission (PRC) found that the price adjustments proposed by the Postal Service may take effect as planned. Information on final prices is available under Docket No. R2025-1 (Order No. 8867) on the PRC website at *prc.gov*.
- Effective **June 26**, IMM Exhibits 292.45a and 293.45a are revised to reflect a change to the office of exchange code for Bonaire, Sint Eustatius, and Saba. Items sent to Bonaire, Sint Eustatius, and Saba will have separate codes listed as Bonaire via Curacao "CUR," and Sint Eustatius and Saba will be added to the entry for Sint Maarten "SXM," for the following services: International Priority Airmail (IPA); and International Priority Surface Air Lift (ISAL). … To provide mailers sufficient time to make necessary logistical and software changes, the Postal Service (through this *Postal Bulletin* article) is providing advance notice that mailers must begin using the appropriate foreign office of exchange code for IPA and ISAL items by **September 28**, 2025. However, mailers are encouraged to immediately implement this change to expedite delivery.
- Effective **June 26**, IMM Exhibits 292.45a and Exhibit 293.45a are revised to update the foreign office of exchange codes for items sent to Brazil and Italy via International Priority Airmail (IPA) and International Priority Surface Air Lift (ISAL). ... To provide mailers sufficient time to make necessary logistical and software changes, the Postal Service (through this *Postal Bulletin* article) is providing advance notice that mailers must begin using the appropriate foreign office of exchange code for IPA and ISAL M-bags effective **September 28**, 2025. However, mailers are encouraged to immediately implement this change to expedite delivery.
- Effective **June 26**, Publication 431, *Post Office Box Service and Caller Service Fee Groups,* is revised to include the noted changes.

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

USPS Industry Alerts

June 16, 2025

Executive Retirement – Scott P. Raymond, Area Vice President of Retail and Delivery Operations, Atlantic Area

Effective June 27, Scott Raymond, Area Vice President of Retail and Delivery Operations, Atlantic Area, will retire from the Postal Service after 32 years of exemplary service. Scott began his career with the United States Postal Service as a Mail Processor in 1993. He has served in several executive roles leading the organization in performance excellence in Logistics, Transportation, Retail and Delivery, and Processing Operations. Prior to serving as the Vice President, Retail and Delivery Operations, Scott served as Atlantic Region Senior Director of Regional Logistics where he directed regional logistics operations, programs, and processes, including air and surface transportation routes. Scott's breadth of expertise made him successful in running the Atlantic Area encompassing 12 districts, 128,000 employees, 8,600 Post Offices, and 35.6 million delivery points in one of the more politically active congressional areas in the Postal Service. Scott has served this organization in a range of leadership positions including Manager, Operations Support, Capital Metro Area; Manager, Processing Operations, Postal Service Headquarters, Washington, DC; Atlanta District Manager; Atlanta Metro Plant Manager; Mid¬Carolinas Senior Plant Manager; and Plant Manager, Suburban MD Processing and Distribution Center.

June 16, 2025

Officer Announcement – Michael Rakes, Vice President, Retail and Delivery Operations, Atlantic Area

Effective immediately announcing the appointment of Michael "Mike" Rakes to the position of Vice President, Retail and Delivery Operations, Atlantic Area. In this role, Mike will oversee an area encompassing 12 districts, 128,000 employees, 8,600 Post Offices, and 35.6 million delivery points. Mike started with the Postal Service in 1996 as a letter carrier and joined the management ranks through the Associate Supervisor Program in 1999. As he continued to advance in his career path, Mike held several Postmaster and supervisor positions in both small and large offices and served as the Manager of Post Office Operations. Mike assumed his first executive role in 2012 as the plant manager in Providence, Rhode Island. In 2018, he was promoted into his first District Manager assignment and has served the organization in this capacity since. Mike has served in numerous leadership positions including Acting Vice President, Retail and Delivery Operations for the Central Area, Plant Manager, Providence Rhode Island Plant, Senior Plant Manager, Greater Boston District, District Manager Albany District, and Manager of Operations Support for the Northeast Area. Most recently, Mike served as District Manager of the Massachusetts-Rhode Island District in the Atlantic Area, where he was responsible for retail and delivery operations across both states to include the management of over 10,000 employees and over 650 Post Offices, stations, and branches. His broad range of experiences will serve him well and enable him to successfully manage and collaborate with all functional areas to drive performance. Mike holds a bachelor's degree in business management from the University of Phoenix and is a graduate of the Senior Executive Assessment Program, Executive Foundations Program, Executive Leadership Program, Managerial Leadership Program and Manager Distribution Operations Program. He is also a certified Lean Six Sigma Green Belt and Black Belt trained.

June 18, 2025

International Service Suspension Notice Effective June 20, 2025

Effective June 20, 2025, the Postal Service will temporarily suspend international mail acceptance to destinations where the foreign postal operator has indicated that they are unable to process or deliver international mail or services originating from the United States. Customers are asked to refrain from mailing items addressed to the following countries, until further notice: **Iran**, **Iraq**, **Israel**. These service disruptions affect Priority Mail Express International (PMEI), Priority Mail International (PMI), First-Class Mail International (FCMI), First-Class Package International Service (FCPIS), International Priority Airmail (IPA), International Surface Air Lift (ISAL), and M-Bag items. Unless otherwise noted, service suspensions to a particular country do not affect delivery of military and diplomatic mail. 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.

June 18, 2025

Holiday Schedule: June 30-July 4 Recommendations for Live Animal Shipping

The Postal Service delivery units will be closed on July 4, Independence Day, which is a Federal Holiday. Additionally, FedEx air shipments will not be available from July 3-7. Customers are asked to observe the following recommendations regarding when and where live day-old chicks and other live animals can be mailed: Monday, June 30, and Tuesday, July 1 - Regular shipping at a retail Post Office or processing and distribution center(P&DC) will be allowed. Wednesday, July 2 - Live animals should only be dropped at a processing and distribution center(P&DC) if delivery date on shipping label states no later than Thursday, July 3. Thursday, July 3, and Friday, July 4 (Holiday) – No live animals should be dropped at any postal location. Following these recommendations will help the Postal Service protect the welfare of live animals as they travel in our network. Failure to follow these recommendations may result in shipments delivered beyond the normal delivery expectations. We apologize for any inconvenience this schedule may cause our customers [*sic,* ?].

June 25, 2025

Priority Mail Open and Distribute (PMOD) Service Updates

Priority Mail Open and Distribute (PMOD) service is a premium service provided primarily to large mailers and consolidators. Mailers prepare the mailings under standards for the class of mail and then enclose the mail in containers mailed at Priority Mail rates. Mailings are prepared either as a pallet or sack (3-digit or 5-digit based on destination). Currently, customers creating Pallet PMOD shipments are required to include a 99M placard in addition to the pallet PMOD shipping label. Beginning July 13, 2025, the service will be updated to remove the requirement for two separate labels. To streamline the scanning process and continue with the organization's product modernization efforts, USPS will now only require the use of the current PMOD label on all Pallet PMOD shipments. In addition, the sack preparation of the PMOD/PMEOD service will also be updated to eliminate 3-digit sack preparations. Currently, when open and distribute sacks are tendered, they can be prepared as 3-digit sacks destined to a Mail Processing facility or 5-digit sacks destined to a Destinating Delivery Unit (DDU). Beginning July 13, 2025, USPS will require all customers shipping PMOD/PMEOD sacks to prepare them as 5-digit destined to a DDU. Sacks will still be allowed travel through mail processing facilities (enroute) but will not be opened and processed until they reach the 5-digit destination. Additionally, current language/requirements allow for mailable hazardous materials (HAZMAT) to be shipped in packages contained within PMOD and PMEOD. As part of this updated process, sacks will no longer be allowed to contain HAZMAT materials. Any feedback or questions can be sent to ShippingServices@usps.gov.

June 25, 2025

Executive Retirement - Scott R. Bombaugh, Chief Technology Officer & Executive Vice President

Effective June 30, Scott Bombaugh, Chief Technology Officer & Executive Vice President, will retire from the Postal Service after 38 years of exemplary service. As the Chief Technology Officer, Scott has managed Engineering Systems, Applied Engineering and the Maintenance Operations organizations. Under his leadership, these three organizations have assisted implementing our strategic plan, creating a rationalized network of integrated mail and package processing facilities. His team provided each new or redesigned facility with standardized floor plans, operating plans and state-of-the-art processing and material handling equipment and deployed new technologies to evolve the retail experience to meet changing customer needs. Scott began his Postal Service career as a Mechanical Engineer in 1988, where he worked on the development of automated, package-sorting systems and the introduction of barcoding technology for packages. Since 1997, he has managed various groups including Bulk Mail Systems, Package Technology and Material Handling Technology and launched programs that improved the capacity and capabilities of our processing operations. He next served as vice president of Engineering Systems where he led the design, development, deployment and lifecycle support for mail and package processing systems and associated software, retail and delivery technology, and scanning solutions. Throughout his career, Scott has had a hand in the design and deployment of all our package platforms and delivery and mobile technology. He played a major role in the development of WebAPAT, an online tool that provides for viewing and downloading images of letter and package mail. His team was also instrumental in the development and the deployment of the Mobile Delivery Devices (MDDs), which changed the way we provide real-time visibility and tracking for our customers and interact with our carriers. Most recently, under Scott's leadership, the Postal Service made a significant infrastructure investment in the Matrix Regional Sorter, MaRS, to position the Postal Service to compete in the package industry.

June 25, 2025

Key Personnel Announcements in the Chief Technology and Engineering Group

The following officer detail assignments are effective June 30: Gary Reblin, Acting Chief Technology Officer and Executive Vice President: In this role, Gary will oversee Engineering Systems, Applied Engineering and the Headquarters Maintenance Operations organizations. He will be responsible for implementing our strategic initiative to create a rationalized network of integrated mail and package processing facilities. His team will continue to provide each new or redesigned facility with standardized floor plans, operating plans and state-of-the-art processing and material handling equipment and deploy new technologies to evolve the retail experience to meet changing customer needs. Linda Malone, Acting Vice President, Applied Engineering: In this role, Linda will drive the strategy, design, implementation, and activation efforts to transform mail processing, retail, and delivery networks with next generation technologies and sortation equipment. She will also oversee the development and enhancement of United States Postal Service (USPS) products and services to increase revenue and improve the customer experience to maintain a competitive advantage. Amit Cholkar, Acting Vice President, Engineering Systems: In this role, Amit will be responsible for driving the strategic planning of technology initiatives to support mail, package processing and material handlings systems-including the acquisition, development, deployment, testing and integration of new technology and software. He will also direct the evaluation and quality assurance of new technology systems to increase operational efficiency and meet organizational goals.

June 26, 2025

Postal Service Prepares for Network Distribution Center Entry and Presort Discount Elimination

[See the article on page 12.]

June 27, 2025

The Mailing & Shipping Solutions Center (MSSC) Announces EVS Email Addresses Decommissioned

Effective Immediately: With the retirement of the Electronic Verification System (EVS) program, the EVS Helpdesk has fully transitioned to the USPS Ship Helpdesk. As part of this transition, the following email addresses have been decommissioned: EVS@usps.gov; EVS_Technical_Support@usps.gov. Customers can contact the USPS Ship Helpdesk: Submit a request by phone: 877-264-9693 or 1-877-672-0007 Option 7, Option 1; Submit a request by email: USPSShipSupport@usps.gov.

June 25, 2025

Executive Retirement - Scott R. Bombaugh, Chief Technology Officer & Executive Vice President

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Calendar

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

Mailers Hub webinars are at 1pm ET on Thursdays unless otherwise noted.

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 Mailers Hub's 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; and Jamie Szal. They can be reached by phone at (207) 786-3566.

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USPS FINAL RULE – International Mailing Services: Price Changes

POSTAL SERVICE

39 CFR Part 20

International Mailing Services: Price Changes

AGENCY: Postal Service.

ACTION: Final action.

SUMMARY: On April 9, 2025, the Postal Service published notice of mailing services price adjustments with the Postal Regulatory Commission (PRC). The PRC concluded that the price adjustments contained in the Postal Service's notification may go into effect on July 13, 2025. The Postal Service will revise Notice 123, *Price List*, to reflect the new mailing services prices.

DATES: The mailing services price adjustments are effective July 13, 2025.

FOR FURTHER INFORMATION CONTACT: Dale Kennedy at 202-268-6592 or Tonya Franklin-Whetts at 202-268-6308 or Rose Stevenson at 202-913-1670.

SUPPLEMENTARY INFORMATION:

I. Proposed Rule and Response

On April 9, 2025, the Postal Service filed a notice with the PRC in Docket No. R2025-1 of mailing services price adjustments to be effective on July 13, 2025. On April 18, 2025, the Postal Service published notification of proposed price changes in the *Federal Register* entitled "International Mailing Services: Proposed Price Changes" (90 FR 16476). The notification included the price changes that the Postal Service would adopt for certain services covered by *Mailing Standards of the United States Postal Service, International Mail Manual* (IMM) and publish in Notice 123, *Price List*, on Postal Explorer at pe.usps.com. The Postal Service received no comments.

II. Order of the Postal Regulatory Commission

In PRC Order No. 8867 issued on May 30, 2025, in PRC Docket No. R2025-1, the PRC concluded that the international prices in the Postal Service's notice in Docket No. R2025-1 may go into effect on July 13, 2025. The new prices will be posted accordingly in Notice 123, *Price List*, on Postal Explorer at pe.usps.com.

III. Summary of Changes

First-Class Mail International

The price for a single-piece postcard will be $1.70 worldwide. The First-Class Mail International (FCMI) letter nonmachinable charge will be $0.49. The FCMI single-piece letter and flat prices will be as follows:

Letters				
	Price groups			
Weight not over (oz.)	1	2	3-5	6-9
1	$1.70	$1.70	$1.70	$1.70
2	2.00	2.55	3.40	3.40
3	2.70	3.40	5.10	5.10
3.5	3.40	4.15	5.75	5.75

Flats				
	Price groups			
Weight not over (oz.)	1	2	3-5	6-9
1	$3.15	$3.15	$3.15	$3.15
2	3.65	4.25	4.55	4.55
3	4.15	5.35	5.95	5.95
4	4.65	6.45	7.35	7.35
5	5.15	7.55	8.75	8.75
6	5.65	8.65	10.15	10.15
7	6.15	9.75	11.55	11.55
8	6.55	10.85	12.95	12.95
12	7.60	13.00	15.75	15.75
15.994	8.55	15.15	18.55	18.55

USPS FINAL RULE – International Mailing Services: Price Changes

International Extra Services and Fees

The Postal Service will increase prices for certain market dominant international extra services as noted:

Certificate of Mailing service: Fees for certificate of mailing service for FCMI will increase as follows:

Certificate of Mailing	
Individual pieces	**Fee**
Individual article (PS Form 3817) First-Class Mail International only	$2.40
Duplicate copy of PS Form 3817 or PS Form 3665 (per page) First-Class Mail International only	2.40
Firm mailing sheet (PS Form 3665), per piece(minimum 3) First-Class Mail International only	0.70
Bulk quantities	
For first 1,000 pieces (or fraction thereof) First-Class Mail International only	13.50
Each additional 1,000 pieces (or fraction thereof) First- Class Mail International only	1.70
Duplicate copy of PS Form 3606 First-Class Mail International only	2.40

Registered Mail service: The fee for international Registered Mail service for FCMI will increase to $23.40.

Return Receipt service: The fee for international return receipt service for FCMI will increase to $6.70.

Customs Clearance and Delivery Fee: The Customs Clearance and Fee per dutiable item for Inbound Letter Post letters and flat will increase to $9.50.

International Business Reply Mail Service: The price for International Business Reply Mail Service (IBRS) cards will increase to $2.45, and the price for IBRS envelopes (up to 2 ounces) will increase to $3.05.

New prices will be listed in the updated Notice 123, *Price List*.

Kevin Rayburn,

Attorney, Ethics and Legal Compliance.