Mailers Hub News

The information source for commercial mailers

July 28, 2025

Celebrations at the USPS

The second half of July 2025 has been very eventful for the Postal Service, starting with the installation of a new chief executive for the agency.

The selection of David Steiner to succeed Louis DeJoy as postmaster general was announced by the Postal Service May 9, following reports in *The Washington Post* two days earlier, but his formal appointment was deferred pending the "successful completion of the ethics and security clearance vetting processes." Having apparently secured the necessary approvals, the Governors of the USPS made the formal appointment at their meeting on July 8, and made the required *Form 8-K* filing accordingly, stating:

> "As previously reported on a May 12, 2025, *Form 8-K*, the Governors of the United States Postal Service ("Postal Service") selected David P. Steiner, age 65, as the 76th Postmaster General and Chief Executive Officer of the Postal Service, pending the outcome of necessary background and ethics checks. On July 8, 2025, the Governors voted to formally appoint Mr. Steiner as Postmaster General and Chief Executive Officer, effective July 15, 2025. The Governors additionally voted to approve a relocation bonus for Mr. Steiner of 50% of his annual salary, consistent with the "PMG, DPMG & Other Officer Pay Policy" which was previously disclosed in an October 28, 2020 *Form 8-K*.

One of the first actions Steiner took was to publish a letter to employees expressing his general perspective:

David P. Steiner
Postmaster General, CEO

UNITED STATES POSTAL SERVICE

July 17, 2025

Dear Colleagues:

On July 15, I began my tenure as America's 76th Postmaster General. I am incredibly proud and honored to have been asked to lead an organization that I have admired throughout my life and to now join all of you in our shared mission of service to the nation.

You should know that I believe strongly in the role of the Postal Service as a pillar of America's democracy and economic infrastructure, in the important support and services we provide at every business and residence, as a positive and competitive force in the marketplace, and in our enduring mission to bind the nation together.

I am convinced that a strength of the Postal Service resides in our structure as a self-financing independent entity of the executive branch, functioning much like a business but with a public service mission. I am confident that we will be able to demonstrate that the Postal Service can operate successfully under this structure in meeting the financial and service performance expectations of the nation, and in so doing justify and preserve our independence far into the future.

While I certainly bring the perspective of an outsider, I know the Postal Service well enough to see that there is much to build upon in the years ahead. Recent transformation and modernization efforts have brought the Postal Service substantially closer to private sector logistics practices, and pricing and product strategies have improved competitiveness. Fully realizing the potential of this progress will be a priority, and I hope you will enthusiastically join these efforts.

I am most attuned to the foundation of our commitment to the American public: On-time delivery of their mail and packages. As someone who led a large private sector logistics operation, I am certain that the Postal Service will continue to improve and achieve on-time performance objectives. Better operational performance is what our customers expect and meeting that expectation on a sustained basis will unlock strong long-term revenue growth, and for that reason driving continuing service improvement will certainly be a high priority.

The other major commitment of the Postal Service is to operate in a financially self-sustaining manner. While the impacts of inflation and the dynamic and changing business environment have negatively impacted our ability to achieve financial sustainability, we must reverse that trend. The Postal Service needs to be on a realistic path to match costs to revenues on a consistent, long-term basis. I believe this is achievable, but only through effective organizational commitment, alignment, and execution to drive new operational efficiencies and generate sustained revenue growth. These are complex challenges we will tackle together, but I am confident we can do so successfully.

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I am fundamentally someone who embraces the effort of tackling difficult problems and I am committed to the process of finding lasting solutions. In my experience, the best solutions result from a lot of listening, understanding varied perspectives, finding commonalities to rally around, and defining courses of action that provide long-term meaning and value to all involved.

I will be engaging with our various management teams and visiting facilities, meeting with you and our postal unions and management associations, and other interested stakeholders, because it is important to me that we build and align the organization around strategies that strengthen our business and reflect and accommodate the widest set of needs.

As we move forward, I will also prioritize strengthening the Postal Service reputation, brand and culture. My aspiration is that every employee can be proud of their work at the end of every day, proud of their colleagues, and proud of the organization, our mission and our performance. All of this depends on aligning around the right goals and putting every employee in a position to perform at a high level so that the organization can perform at a high level. The Postal Service has a rich history and rightly benefits from a deep reservoir of goodwill and support from the American public. I look forward to our collective efforts to earn more of their goodwill, and hopefully a larger share of their business.

As I start my journey with the Postal Service—and I will take it as an auspicious sign that next week the Postal Service will observe the 250th anniversary of our founding—I do so with great enthusiasm and reverence for the institution. I intend to be a strong advocate for you and your work, and for our customers, and I am confident that together we will shape a stronger future for the United States Postal Service and a stronger future for you and your loved ones.

My final thought, but the most important tenet of my beliefs, is that I want each of you to return home safe at the end of every day, so please always be safe yourself, and demand safety from your colleagues. We have a lot of goals, but none are more important than your safety.

I look forward to working with all of you,

David P. Steiner

The letter was disseminated outside the agency as well, so non-employee readers – including commercial mail producers and their rate-paying clients – tried to extract from its phrasing any hints as to what Steiner would do regarding the postal policies and programs that impact them.

It had been 112 days since Louis DeJoy left, but what he had set in motion during his 1,744 days in office did not end when he walked out the door. The network and service changes that were established under his 10-Year Plan, as well as the pace and severity of price increases he demanded, did not end after his departure. Consequently, the fundamental question asked was whether Steiner would alter the course DeJoy had set for the USPS.

Making an impression

Taking over 61 months after DeJoy was sworn in to replace Megan Brennan, Steiner barely got his chair warm before having to deal with attendees at the July 22-23 meeting of the Mailers Technical Advisory Committee. Participants who had been harangued repeatedly by DeJoy when he spoke to the group during his tenure anxiously awaited to get their first look at his successor.

The contrast couldn't have been any greater.

Steiner came in, sans tie, and was pleasant, easy-going, engaging, and honest in acknowledging he had a lot to learn. He stated he's read DeJoy's Plan but made no commitment about if or what he would or wouldn't alter. Apparently aware of reports alleging White House influence, he noted that he'd not met the president until after his selection. He was articulate in expressing his thoughts, and spoke without notes. His visit was short – only ten or fifteen minutes, compared to DeJoy's 90-minute rants – and the audience was left with a favorable first impression.

Given the impending 250th anniversary of the Postal Service, Steiner was to have plenty of opportunities to be visible to customers. The first was on the evening of July 22nd when MTAC hosted a celebration at the Smithsonian National Postal Museum.

Introduced by Board of Governors Chair Amber McReynolds (above, left) Steiner easily delivered prepared remarks reflecting on the Postal Service's history and its role in American society, business, and communications.

Then, on Wednesday, he led the first day of issue ceremonies in front of USPS Headquarters, delivering more remarks before unveiling two new stamps commemorating the Postal Service's 250th anniversary.

Joining him were Elliot Gruber (left), Director of the Smithsonian National Postal Museum, McReynolds (second from right), and a stand-in for first Postmaster General Ben Franklin, born 320 years ago and thus unable to attend himself.

The real anniversary of the Postal Service was July 26, commemorating its establishment by the Second Continental Congress on July 26, 1775, and the concurrent appointment of Franklin as PMG; he'd served in the comparable position under the British until his sympathies with the colonists got him dismissed in January 1774.

The real work

After all the speeches, hand-shaking, and ceremonial duties, Steiner now will be getting into the real work of establishing himself at the helm of the USPS.

Though the MTAC attendees – those who heard his comments at the meeting and those who had a moment to speak with him at the museum event – had a positive impression of him, they also knew that their perspective likely will change – for the better or worse – once he digs into the business of the Postal Service and begins to make his mark.

Reportedly, he asked MTAC leaders for their advice about the key priorities he should set for himself; he also has meetings set up with a variety of stakeholders from the industry and postal labor. Clearly, he wants more input that his predecessor ever cared to entertain.

Regardless, the general concern within the mailing community is the lingering presence of Louis DeJoy – not just in The Plan he prescribed as the blueprint for the agency, but in the executives and staff he installed as the loyal executors of that Plan. As was evident when they spoke at the MTAC sessions, they remain committed to The Plan's principles and to prosecuting its implementation with undiminished zeal.

DeJoy replaced dissenters with reliably obedient true believers, so Steiner will be challenged to find objective advisors who won't try to serve him the DeJoy Kool-Ade. As if threading his way through that won't be enough, the new PMG also will need guidance about dealing with other constituencies he didn't have to face when he led Waste Management: commercial mailers and ratepayers, patrons of small rural post offices, self-serving labor groups, colleagues at other posts, and – most daunting of all – the political and parochial demands of 535 members of Congress whose support he needs but whose interference only makes his job harder.

We hope he enjoyed his pleasant first few days in office; it won't be getting any easier.

PRC Rejects Motions to Alter Ratemaking Review

In an order issued July 24, the Postal Regulatory Commission denied separate motions by the Association for Postal Commerce (Postcom) and the Postal Service that would alter the commission's rulemaking about changes to the ratesetting process.

Background

The current ratemaking process derives from the 2006 *Postal Accountability and Enhancement Act* that replaced the 1970 cost-of-service process with one that used the consumer price index as the basis for Postal Service pricing authority. PAEA prescribed nine objectives to be achieved and fourteen factors to be considered by the new ratemaking regime, including the financial stability of the Postal Service.

The same law also imposed the obligation to prefund 75 years' of future retiree health costs over the decade following its enactment, a burden that quickly drove the USPS deep into the red. The CPI-based ratesetting process could not enable revenue growth sufficient to offset this obligation, but it – not the outsized prefunding requirement – was blamed nonetheless for the Postal Service's financial struggles.

So, in 2016, after the PRC concluded its decennial review of whether the ratesetting system was working – which didn't allow for consideration of external burdens like prefunding – the commission conducted a rulemaking to establish three additional forms of pricing authority: to offset decreasing mail volume ("density"), fund the prefunding expense ("retirement"), and offset the insufficiency of revenue from some types of mail to cover their costs "non-compensatory"). That rulemaking ended in November 2020, five months after Louis DeJoy became postmaster general.

Mail volume had been declining for the preceding seven years, and worsened after DeJoy began his practice of semi-annual rate increases. After only a couple of years, mailers and ratepayers noticed that the density "adder" was causing a perhaps unintended consequence: increasing USPS rate authority derived from declining volume – arguably caused by higher prices – was itself accelerating volume loss.

Suspecting that the product of the 2020 rulemaking wasn't working as envisioned, the PRC began its next review of the ratesetting process in April 2024. After another fourteen months, the commission issued two orders on June 9, 2025: one to report its conclusion – as expected, that the ratemaking process was not meeting the statutory objectives, including USPS financial stability – and another to start a new rulemaking process to consider changes to how rates are based and developed.

Objections

The PRC opted for a "phased rulemaking process" under which it would look at individual aspects of ratesetting and "discreet" changes to them rather than review the ratesetting system as an entirety. The commission was not unanimous in this decision; though four supported a "discreet" approach, one did not, arguing that a more comprehensive review of the system as a whole would be more appropriate.

On June 24, Postcom moved that the PRC reconsider the order establishing the rulemaking and "and address the question of whether the magnitude of price increases its current rules allow are [*sic*] causing a degree of volume loss that imperils the primary mission of the Postal Service … ."

Separately, and for its own reasons, the USPS filed a motion on June 24 arguing that "the Commission's discretion to establish its own procedures and to address problems incrementally does not justify the phased approach."

Denied

The commission denied both motions on the same grounds.

Under the PRC's Rules of Practice, set forth in 39 CFR 3010, an order may be appealed if *final* and, to be a *final order*, it must "(1) 'mark the consummation of the agency's decisionmaking process' (i.e., 'it must not be of a merely tentative or interlocutory nature'); and (2) be an action 'by which rights or obligations have been determined, or from which legal consequences will flow.' "

Further, a motion for reconsideration "must (1) '[b]riefly and specifically allege material errors of fact or law and the relief sought; and' (2) '[b]e confined to new questions raised by the determination or action ordered and upon which the moving party had no prior opportunity to submit arguments.' A motion for reconsideration is not an opportunity to relitigate issues already decided by the challenged order."

In the ensuing 24 pages of its order, the PRC provides the reasons for its position and the appropriate legal analyses, citing it Rules of Practice, stating in conclusion

> "PostCom's request for reconsideration of Order No. 8891 fails to satisfy the requirements of Rule 165(a) and Rule 165(b), as discussed above. Therefore, it is denied. PostCom's request for alternative relief in the event of denial of this request for reconsideration is also denied, as discussed above.
>
> "The Postal Service's request for reconsideration of Order No. 8892 fails to satisfy the requirements of Rule 165(a) and Rule 165(b), as discussed above. Therefore, it is denied. The Postal Service's request for alternative relief in the event of denial of this request for reconsideration is also denied, as discussed above."

In effect, because the rulemaking is only one step in the process that, presumably, would yield a final rule revising the current ratesetting process, the motions were premature under the rules applicable to what the commission was doing. The rulemaking was *not* concluded and there were *not*, as yet, any resulting legal requirements under a final rule.

Likely neither Postcom nor the USPS was pleased with the PRC's order, nor with the commission's refusal to accept the arguments and concerns they expressed in their motions. Whether either will seek further review of the PRC's order in federal court is unknown.

Regardless, though the majority of the commission believes that the preferable course of rulemaking is being taken, it's clear that others still believe that an improved ratesetting system is needed sooner than the pace of that rulemaking will provide.

OIG Reviews Service During 2024 Peak Season

USPS service performance during the late 2024 peak mailing season fell short of targets; that was the overall conclusion of the Postal Service's Office of Inspector General as reported in *Service Performance During the Fiscal Year 2025 Peak Mailing Season*, an audit report released July 21.

The OIG's objective was straightforward:

"… to evaluate the US Postal Service's performance during the FY 2025 peak and post-peak seasons, the implementation of its peak season preparedness plan, and operational changes to the network potentially impacting performance."

Findings and recommendations

- "**Finding #1: Service Performance Declined for Most Mail Products Despite Data Adjustment.** The Postal Service's FY 2025 service performance declined for most products compared to the prior peak season. This decline occurred despite lower targets; an unannounced, added day for delivery of package products; and incorrect delivery expectations in some markets undergoing network changes.

Mail Product	FY 2024 Target	FY 2025 Target	Difference
First-Class Mail Composite	92.5%	88.0%	(4.5)
Marketing Mail	94.6%	94.5%	(0.1)
Periodicals	87.3%	84.0%	(3.3)
Ground Advantage Composite	[redacted]	[redacted]	[redacted]
Priority Mail	[redacted]	[redacted]	[redacted]
Parcel Select	[redacted]	[redacted]	[redacted]

"The Postal Service retroactively added an additional scheduled delivery day for all packages delivered during peak season in FY 2025. This means that Postal Service reporting shows packages met service standards, even when they actually took an extra day to make it to their destination. … Management gave itself an extra day for package delivery to account for increased mail volume in the network. The Postal Service did not add an extra delivery day during peak season 2024, and it did not mention plans to add an extra day for peak season 2025 during our peak season preparedness audit. …

"In addition, the Postal Service did not update how it calculated service standards when network changes were made. …"

Recommendation

[1] "… establish internal controls to ensure the Service Standard Directory is updated timely when service changes in specific markets. *Management agreed with the finding but disagreed with the recommendation."*

- "**Finding #2: Fiscal Year 2025 Peak Season Network Performance Initiatives.** The Postal Service implemented processing and transportation initiatives during peak season to try to move the mail through the system timely to meet service targets. However, it did not meet service targets for five of six products, and deeper analysis demonstrated a lack of resources, planning, and communication between components contributed to delays.

"When processing facilities had more mail than they were able to process, the Postal Service had multiple ways to address the situation. … Another way the Postal Service planned to handle the additional peak season volume was by using offload trips to move mail or packages from one transportation method to another, or from one facility to another. ... However, we found processing operations did not always execute offloads at the division-level with an approach that considered facility type, resources, and equipment capacity. In addition, division and local level processing and logistics management at some facilities we visited said offloads were not well coordinated or communicated. …

"Also, local management did not always know when offloads were coming and did not always have scheduled transportation to move the mail after it was processed, causing congestion on the dock and workroom floors. Delays in mail volume occurred, in part, because processing capacity was not fully utilized in some facilities and because management did not always follow an offload process that considered factors such as facility type, resources, and equipment capacity. … As a result of not running machines at capacity and poorly planned offloads, mail delays occurred, and mail sometimes had to be further re-routed after being offloaded. …

"We found the air and surface networks became overloaded during peak season, and a high number of unanticipated extra trips as well as cancellations contributed to the Postal Service spending more than expected on transportation. The Postal Service's actual air volume exceeded the air container capacity every week of peak season. … The Postal Service spent more than planned on surface transportation, in part, because the Postal Service underestimated its surface transportation needs. …"

Recommendations

[2] "… adjust package processing plans and staffing plans during peak season to ensure full capacity of machines is used to minimize delayed mail volume.

[3] "… direct and monitor division management decisions in the offload process during peak season to incorporate strategic factors, such as facility type, resources, and equipment capacity.

[4] "… develop a process for clear communication of offloads between all levels of processing and logistics functions.

[5] "… reassess the methodology used for surface transportation planning to better estimate surface transportation needs and costs.

[6] "… evaluate the reasons for cancellations of freight auction and repetitive highway contract route trips to reduce the associated excess payments for these trips during peak season.

"Management disagreed with this finding and recommendations 2 and 3. Management agreed with recommendations 4, 5, and 6, as well as the monetary impact."

- "**Finding #3: Fiscal Year 2025 Peak Season Retail and Delivery Performance.** During the FY 2025 peak season, Postal Service management established 10 key performance indicators to measure performance for retail and delivery units. Most performance indicators focused on delivery. The indicators largely represent year-round goals and are used to aid management in monitoring delivery unit performance. The Postal Service established targets

Performance Indicator	Target Description	Results
PM Distribution	Mail should be distributed after 12 p.m. for committed delivery the following day 30 percent of the time or more.	Not met. One of 50 districts met goal.
Arrival at Unit Productivity	Arrival at unit scans[21] occur at a rate of 300 scans per hour or greater.	Largely met. 44 of 50 districts met goal.
Stop the Clock 6-9 a.m.	Total scans performed by delivery employees between 6 a.m. and 9 a.m. should be 25 percent or greater of total scans in a service day.	Not met. No district met the goal.
Office to 60 Min	Total time spent in the office sorting mail for each route should not exceed 60 minutes.	Partially met. Four of 50 districts met goal.
Street Var Base	A carrier's street delivery time being within 1 percent of the established baseline.	Not met. No district met the goal.
Carriers Returns 2100	The percentage of carriers on the street after 9 p.m. should be less than 5 percent.	Met. All 50 districts met the goal.

for six of the 10 indicators for peak season. During the FY 2025 peak season, only two of the six targets were met or largely met nationwide. …"

Recommendations

[7] "… assess and update peak season key performance indicators and initiatives.

[8] "… develop measures and targets to evaluate the customer experience during peak season.

"Management disagreed with this finding and recommendation 8 but agreed with recommendation 7."

- "**Finding #4: Service Performance During Post-Peak Season.** We analyzed package volume during the period immediately following peak season, which fell during January 11-31, 2025, and found that it approached near peak season levels. Additionally, our analysis found the Postal Service experienced delays during this period in specific markets. … We found opportunities for improvement in processing, transportation, and staffing during the post-peak season.

"Although management previously stated that they had sufficient capacity to process package volume timely, the decrease in scores and mail volume delays indicated management did not adequately anticipate the near-peak volume levels during post-peak season. During the post-peak season, the Postal Service experienced transportation delays. We found that air volume delays continued each week of post-peak season due to package volume exceeding the air capacity in specific markets. …

"The Postal Service did not plan for the impact of increased package volume during this post-peak season. …"

Recommendation

[9] "… adjust the timelines for peak initiatives to incorporate post-peak season package volume on operations.

[10] "… evaluate the reasons for cancellations of freight auction and repetitive highway contract route trips to reduce the associated excess payments for these trips during the post-peak season.

"Management disagreed with the finding and recommendation 9 but agreed with recommendation 10 and the monetary impact."

Observations

The OIG summed up its report very succinctly at the outset:

"The Postal Service lowered the performance targets for FY 2025, and it adjusted the data used to measure service performance during peak season. Even with those adjustments, the Postal Service did not meet five of the six service targets during peak season, and delays continued after peak season – a time during which the Postal Service experiences a high volume of returns – as well. …"

The specific findings detailed in the document again highlight troubling, reoccurring situations:

- The adoption of reduced standards and modified measurement criteria as an alternative to *real* improvement in service;
- Inaccurate projections of volume and related resource needs;
- Insufficient planning; and
- Poor communication between and among facilities.

As much as postal executives have complained about the OIG finding and reporting deficiencies, those findings are not being manufactured by the OIG to nettle the USPS, but rather are there to be found – and could have been noted and corrected by the USPS itself beforehand.

Accordingly, rather than arguing with the OIG's findings, management might prevent such findings in the future if they more purposefully considered acting on the OIG's recommendations.

Disintermediation – *Commentary*

It's hardly a report for the evening news, but Sioux Falls (SD) station *KSFY* reported July 14 that Lewis Drug and Hy-Vee stores would no longer be able to

"sell postage or mail packages" for the USPS by the end of September. When asked for comment, a USPS representative stated only that "the Postal Service determined that nearby postal facilities are able to serve the community."

Meanwhile, the Postal Service reportedly is terminating contract postal units at some colleges and universities, again claiming that local USPS facilities are sufficient to provide service and that the CPUs aren't generating enough revenue.

If these similar situations are any indication, they seem to reflect a policy first detected several months ago when the USPS ended its relationship with vendors of shipping services, then ended arrangements with package consolidators, and later barred the use of package labels that had indicia for both the Postal Service and another carrier like FedEx or UPS that entered last-mile volume. The common thread of these actions, taken under the direction of former PMG Louis DeJoy, was to remove middlemen from the transaction between the USPS and the end customer. The apparent thinking behind such disintermediation was that the customer would then do business directly with the USPS, and that the agency thus wouldn't have to share its customers' business and revenue.

Arguably, there are two serious flaws with such a belief.

First, it assumes – rather simplistically – that not having intermediaries would cause the end customers who were purchasing USPS services through those intermediaries to bring their business directly to the Postal Service.

Second, particularly in the case of a CPU or other vendor, it appears to conclude that it derived too little revenue from the relationship, or that it wasn't worth the cost to manage it.

Such a policy is like a lessor who won't renegotiate a lease with a tenant but then has the space vacant and earning no income. In both circumstances, it would seem logical that some income is better than none.

For the USPS, enabling fewer channels for access to postal products and services, limiting convenience for potential customers, and ending programs that are financially beneficial to both it and a partner provider, seems counterproductive to say the least. Again, some revenue is better than none.

Of course, in the context of DeJoy's hubris and desire to bring everything in-house, that may have made sense but, now that he's left, rethinking his go-it-alone policy might be worthwhile.

OIG Faults Security at Denver Facility

If the Postal Service would ever consider wider outsourcing of processing operations, the findings of the agency's Office of Inspector General might warrant consideration. In *Mail Security at the Denver Regional Transfer Hub*, a management alert released July 15, the OIG identifies significant deficiencies in the secure handling of mail at one such outsourced facility. As the OIG noted,

"Prior to the launch of the Delivering for America plan, the US Postal Service used Surface Transfer Centers to distribute, consolidate, dispatch, and transfer all mail classes within the surface network. They also served as a concentration point for consolidating mail from under-utilized surface trips. In September 2024, the Postal Service transitioned to the use of RTHs. RTHs are intended to decrease the number of mail separations and fill containers quickly during processing to expedite getting mail onto trucks and out for delivery to customers.

"As of March 2025, 18 RTHs were active nationwide. While the Postal Service indicated that work handled at RTHs would be insourced, some RTHs, such as the Denver RTH, continue to be operated by contractors rather than Postal Service employees.

"To support the RTH initiative, the Postal Service converted the Denver Peak Annex into the Denver RTH, which began operations in October 2024. The Postal Service modified its existing contract with the contractor responsible for managing the peak annex to facilitate this transition. The updated contract incorporated provisions that aligned the facility's operations with RTH standards. Several contractual modifications were made to support the facility's transformation, which included new responsibilities for the contractor to aid in RTH operations and language specifying that the Postal Service would insource the work before the end of 2025."

- "**Finding #1: Mail Security**. During our site visits from April 8 to April 10, 2025, we identified deficiencies that put mail at risk of theft and unauthorized handling. Specifically, we observed improperly removed tags from Priority Mail Open and Distribute (PMOD) containers in the mail repair station; damaged mailpieces that were improperly secured; and insufficient controls over Registered Mail.

"We found that PMOD tags were being removed from their assigned containers before reaching their final destination. … Even though the tags state 'open and distribute,' these containers should be scanned but remain unopened as they travel through the Denver RTH because it is a transfer facility not the final destination. No tags should have been found having been removed at the Denver RTH.

"According to Postal Service facility management, multiple PMOD tags were found hidden on the workroom floor, inside mail transport equipment, and in the inbound dock area since January 2025. Postal Service management expressed concern that contract employees were opening PMOD sacks to pilfer select medications. Since January 2025, the Postal Service manager at the Denver RTH had been collecting loose PMOD tags found throughout the facility.

"We also found that the mail repair station was not always staffed overnight and on weekends. Postal Service management at the facility stated that packages had disappeared overnight from the repair station, and they suspected this was happening when the area was not staffed. We observed vulnerable items such as loose medication in this area during our April 2025 site visit.

"Postal Service management at the facility also noted observing damaged parcels across all processing operations, which they believed were caused by contractor staff rather than mail processing machines. … Contractor staff reported that they would turn in valuable items like cash found in damaged parcels to the contractor's Human Resources officer who, in turn, is supposed to turn them over to Postal Service management on-site. However, Postal Service management stated it was not aware of any valuable items from damaged parcels that had been turned in. …

"Finally, we found that the Denver RTH did not have a sufficient process in place to ensure the security of Registered Mail. Specifically, there was no clearly established procedure for the acceptance, dispatch, and transfer of Registered Mail both entering and leaving the facility. Additionally, no registry cage existed for the holding of Registry Mail. The facility did have two lockable all-purpose containers (APC) secured to a beam that were being used for Registry Mail. However, only one of the containers was secured with a lock. Postal Service management stated that the facility security guard controlled the key, and that Postal Service employees did not know how many keys were in circulation. …

"The lack of management oversight and Postal Service staffing at the Denver RTH has created significant vulnerabilities in mail security and handling. The Postal Service did not implement adequate controls to prevent theft and unauthorized access, which could lead to contractors tampering with the mail. A contributing factor was the contract's statement of work, which did not outline specific requirements for handling Registered Mail, leaving critical security gaps unaddressed. Additionally, Postal Service officials assigned to the Denver RTH did not provide necessary oversight, opening the door for misconduct by the contracted employees. The absence of functional security measures, including non-operational cameras until April 2025, facilitated unchecked handling and allowed for the persistence of potential mail-related misconduct. The Postal Service has stated it plans to insource operations, but did not provide an estimated completion date. …"

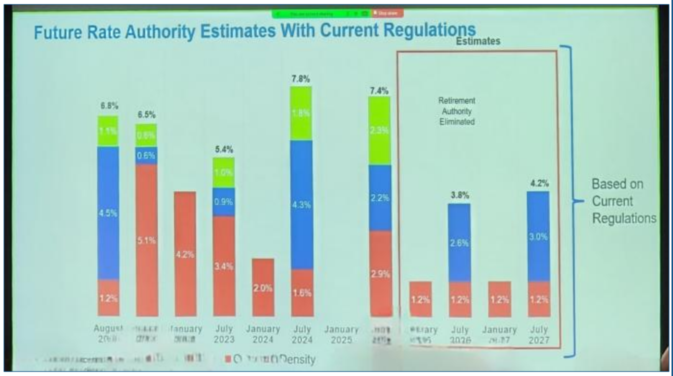
The OIG recommended that the USPS "prioritize the insourcing of Denver Regional Transfer Hub operations"; management agreed with recommendation.

There may be nothing inherently wrong with outsourcing operations, but doing so requires clear direction for the contractor and appropriate oversight by postal officials. In the case of the Denver RTH, the contracted staff might have been a problem, but the failure of local postal management to oversee the operation was the more serious deficiency.

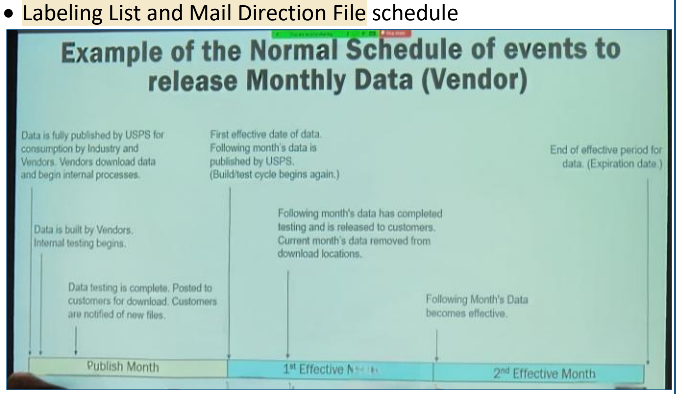
MTAC News and Notes

The Mailers Technical Advisory Committee met July 22-23 at USPS Headquarters; among the notable information provided to attendees:

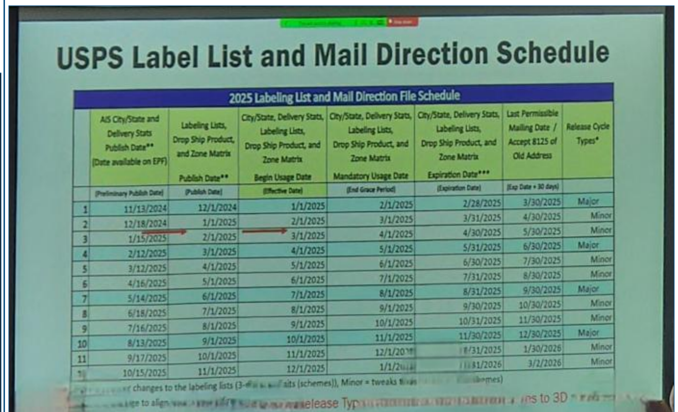
- Future pricing authority



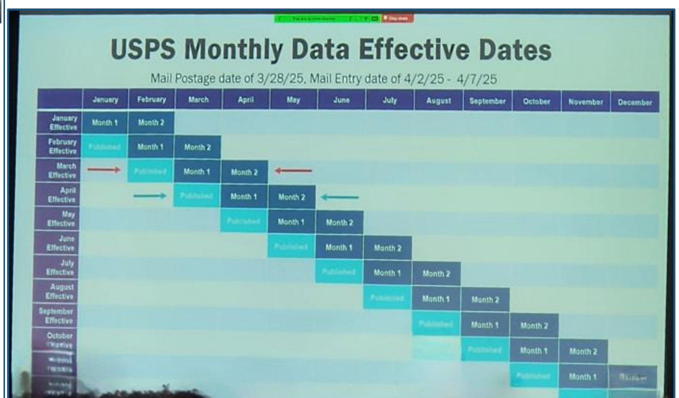
  - Estimated CPI-based authority for January 2026 through July 2027: 1.2%
  - Estimated Density-based rate authority: 2.6%, July 2026; 3.0%, July 2027
  - Estimates based on current ratesetting regulations
- As part of the rate structure changes planned for January 2026:
  - The ADC/AADC presort level and the related discount will be eliminated for First-Class Mail, Marketing Mail, and Periodicals
  - ADC/AADC container sortation will move to the SCF level
  - MXD ADC/AADC will become “WKG”
  - 3-digit, 3-digit scheme, and SCF/LPC will migrate to a single rate structure
  - The NDC level will be removed from Marketing Mail parcels
  - Label lists will be revised – L005 will be used for letters, L004 will be for flats, and L051 and L010 will be used for Package Services. These shape-based lists will be used for all classes.
- Zone-based pricing will be introduced for Marketing Mail and Periodicals.
  - DSCF and DDU dropship incentives would be retained.
  - Four zones will be established, based on distance from origin RPDC to destination LPC
  - Zoned prices would be applied to Periodicals pound rates
  - Zone rates would be applied at the bundle/tray level
  - Service standard would align with zone: Zone A, 2 days; Zone B, 3 days; Zone C, 4 days; Zone D, 5 days.
  - Marketing Mail: FCM standard plus 2 days; Periodicals standard: FCM plus 1 day
- 2025 National Postal Forum attendance was the highest since 2008 (5,702) and had more exhibitors (187) and sponsors (97)
- Labeling List and Mail Direction File schedule



  - Illustrations showed the development and publication sequence
  - Two files are effective in any given month



	AIS City/State and Delivery Stats Publish Date** (Date available on EPF) (Preliminary Publish Date)	Labeling Lists, Drop Ship Product, and Zone Matrix Publish Date** (Publish Date)	City/State, Delivery Stats, Labeling Lists, Drop Ship Product, and Zone Matrix Begin Usage Date (Effective Date)	City/State, Delivery Stats, Labeling Lists, Drop Ship Product, and Zone Matrix Mandatory Usage Date (End Grace Period)	City/State, Delivery Stats, Labeling Lists, Drop Ship Product, and Zone Matrix Expiration Date*** (Expiration Date)	Last Permissible Mailing Date / Accept 8125 of Old Address (Exp Date + 30 days)	Release Cycle Types*
1	11/13/2024	12/1/2024	1/1/2025	2/1/2025	2/28/2025	3/30/2025	Major
2	12/18/2024	1/1/2025	2/1/2025	3/1/2025	3/31/2025	4/30/2025	Minor
3	1/15/2025	2/1/2025	3/1/2025	4/1/2025	4/30/2025	5/30/2025	Minor
4	2/12/2025	3/1/2025	4/1/2025	5/1/2025	5/31/2025	6/30/2025	Major
5	3/12/2025	4/1/2025	5/1/2025	6/1/2025	6/30/2025	7/30/2025	Minor
6	4/16/2025	5/1/2025	6/1/2025	7/1/2025	7/31/2025	8/30/2025	Minor
7	5/14/2025	6/1/2025	7/1/2025	8/1/2025	8/31/2025	9/30/2025	Major
8	6/18/2025	7/1/2025	8/1/2025	9/1/2025	9/30/2025	10/30/2025	Minor
9	7/16/2025	8/1/2025	9/1/2025	10/1/2025	10/31/2025	11/30/2025	Minor
10	8/13/2025	9/1/2025	10/1/2025	11/1/2025	11/30/2025	12/30/2025	Major
11	9/17/2025	10/1/2025	11/1/2025	12/1/20[illegible]	[illegible]/31/2025	1/30/2026	Minor
[illegible]	10/15/2025	11/1/2025	12/1/2025	1/1/[illegible]	[illegible]/31/2026	3/2/2026	Minor



- Informed Delivery
  - 74.4 million users
  - 35.5% of eligible delivery points
- FY 2025 PQIII service scores based on revised service standards
  - Presort First-Class Mail letters: Overnight, 93.85%; 2-day, 94.77%; 3-day, 90.17%; 4-day, 94.30%; 5-day, 96.50%
  - Presort First-Class Mail flats: Overnight, 72.39%; 2-day, 83.17%; 3-day, 74.67%; 4-day, 80.43%; 5-day, 90.38%
  - Marketing Mail letters: SCF, 96.86%; NDC, 96.07%; End-to-end, 93.55%; 3-day 96.54%, 4-day, 97.27%; 5-day, 96.03%; 6-10 days, 93.08%; 11+ days, 95.97%
  - Marketing Mail flats: SCF, 92.55%; NDC, 88.97%; End-to-end, 76.40%; 3-day 91.98%, 4-day, 93.13%; 5-day, 88.38%; 6-10 days, 70.06%; 11+ days, 90.02%
  - Periodicals: SCF, 85.71%; NDC, 86.12%; End-to-end, 65.88%; 3-day 87.03%, 4-day, 89.61%; 5-day, 82.14%; 6-10 days, 65.92%; 11+ days, 66.79%
  - The USPS speaker was not able to answer whether any claimed improvements in service were attributable to the changes in service standards and measurement or to actual improvements in service.
- 2025 Mail Growth Incentives
  - 1,482 registrations (+11% from 2024)
  - 37 billion pieces in registered volume
  - $35 million in total postage credits earned through July 14
  - 412 million new mailpieces generated
  - Year-over-year volume change: Participants, Marketing Mail +9.19%, First-Class Mail -3.56%; Non-participants, Marketing Mail -14.96%, First-Class Mail -5.38%

Miscellany

Dual labels

Despite the DMM change effective earlier this year that prohibited the use of dual shipping labels, some shippers apparently continue to use them. (Dual labels bear the indicia of both the Postal Service and another carrier. Dual labels were used in programs such as FedEx Smart Post under which FedEx would drop parcels at post offices for USPS delivery.)

Some third-party sellers on Amazon or eBay apparently hadn't gotten the word. As reported July 15 by *eCommerceBytes*, if

> "FedEx Ground Economy dual-label packages entered the USPS stream from shippers instead of FedEx, sellers ended up in a vicious circle, with USPS refusing to return, forward, or release the packages because they hadn't been paid; and FedEx and eBay claims also proving unfruitful."

A spokesperson for the USPS sidestepped the issue:

> "Federal Express owns the labels they distribute, their policies and procedures, and the relationship they have, as well as the labels they provide, to online marketplaces, third party sellers, and their other customers. All questions regarding their labels and policies should be directed to them. Individual customers should tender Fed Ex packages with Fed Ex and not enter them in the postal network."

The article noted that the revised DMM text did not specify how pieces bearing a dual label must be handled if found in the mailstream. The DMM only states that the USPS "may return such items to the sender."

Canada vote

As reported July 21 by *Global News*, Canada Post's 53,000 unionized workers are in the process of voting on their employer's "final offer"; the Canadian Union of Postal Workers has urged rejection of the proposal. Voting began July 21 and will continue through August 1.

Canada Post's offer

> "includes a wage increase, a signing bonus, and maintaining a defined benefit pension and job security clauses. The company said it will also end mandatory overtime. The company is no longer proposing a new health benefits plan, changes to employees' post-retirement benefits or enrolling future employees in the defined contribution pension."

Contract negotiations have been ongoing for eighteen months. If ratified, the resulting agreement would run through January 31, 2028.

Canada Post lost C$1.4 billion in 2024 on revenues that had decreased 12.2% from the preceding year. It claims that, in June, it was losing C$10 million per day.

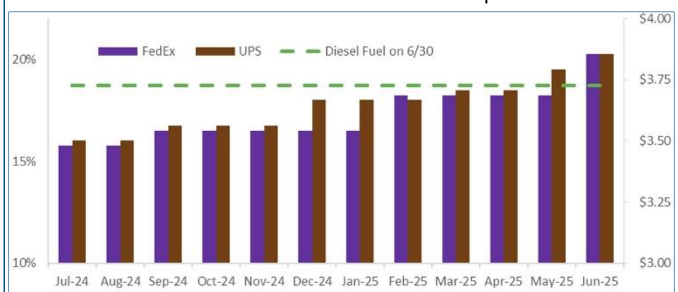
ZIP Codes

Politicians may not agree on how to help the USPS, but they can agree on telling it to add ZIP Codes. As reported by the *Washington Examiner*, the House recently passed two bills that would add a total of 76 new ZIP Codes. Typically, these are sought by communities where jurisdictional boundaries do not align with ZIP Code areas, causing confusion when assigning voting precincts, assessing taxes, etc. The USPS opposes the action, claiming it "would significantly degrade mail service in the affected communities."

Discounts disappearing

According to a July 18 article in *FreightWaves*, both UPS and FedEx are ending some of the discounts offered to commercial shippers during the peak volumes of the pandemic. The move reflects current interest in increasing profitability rather than retaining volume, analysts said.

> "Parcel volumes for the two delivery powers soared during the pandemic, but began declining in 2023 as e-commerce sales normalized, Amazon expanded and new couriers entered the market. FedEx and UPS engaged in a pricing war with startup delivery companies and retailers like Walmart for about 18 months. Management at both companies has signaled to investors this year that the focus is now on profitable parcel freight. …
>
> "The manipulation of surcharges by the integrated network carriers is most notable with fuel. Fuel surcharges, based on opaque formulas pegged to the price of fuel, have long been considered a way for carriers to pad profits beyond simply being a cost-recovery mechanism, but FedEx and UPS have 'weaponized fuel surcharge as a revenue tool.'
>
> "During the past year, domestic ground shippers have experienced a cumulative increase in fuel surcharges of 30% when compared to a constant diesel fuel price level, indicating that the fees are because of carrier actions rather than fuel price fluctuations.'"



In a July 25 article, *FreightWaves* further reported that UPS "plans to eliminate 20,000 workers" and "eliminate 200 sort centers over five years and route parcels handled at those facilities to more modern ones."

No free water

When a USPS letter carrier delivered mail to a Starbucks, then asked for a cup of water, she was surprised – to say the least – when her request was refused. According to a July 20 report on *MSN*, the employee told her that "she had to buy something under company guidelines in order to get free tap water." As would be expected in these times of social media, the carrier posted a video of the experience, adding

> "Imagine working out of a tin can in 100 [degree] heat, trying to stay alive and walking into Starbucks for a cup of ice water, and they tell you NO!"

The report added that Starbucks recently changed their "open door" policy, and now requires customers to buy something if they want to use the bathroom or get free water, but a company spokesperson seemed to hedge that:

> "All customers who make a purchase while visiting our stores can enjoy complimentary water during their visit ... in the event the circumstance calls for it – either due to extreme weather, medical emergency or other extenuating factors."

The location of the incident was not noted but, according to the report, it's not the first time it has happened.

All the Official Stuff

Federal Register

Postal Service

NOTICES

July 16: Product Change [22]: Priority Mail Express, Priority Mail, and USPS Ground Advantage Negotiated Service Agreements [8];Priority Mail and USPS Ground Advantage Negotiated Service Agreements [7]; Priority Mail Negotiated Service Agreements [7], 32031-32032.

July 22: International Product Change: Priority Mail Express International, Priority Mail International, and First-Class Package International Service Agreement, 34525.

July 23: Privacy Act of 1974; System of Records, 34678-34680; Product Change [4]: Priority Mail Express, Priority Mail, and USPS Ground Advantage Negotiated Service Agreements [2]; Priority Mail Negotiated Service Agreements [2], 34680-34681.

July 24: Sunshine Act Meetings, 34914.

PROPOSED RULES

[None].

FINAL RULES

July 17: Administrative False Claims Act, 33272-33277.

Postal Regulatory Commission

NOTICES

July 15: New Postal Products [2], 31713, 31714.

July 16: New Postal Products, 32030-32031.

July 17: New Postal Products, 33415-33416.

July 18: Scheduling of Settlement Conference and Oral Argument, 34021-34022.

July 21: New Postal Products, 34304-34305.

July 22: New Postal Products [2], 34523-34524, 34524-34525.

July 24: New Postal Products, 34913-34914.

July 25: New Postal Products, 35321-35322.

July 28: New Postal Products [2], 35559-35560, 35560-35561.

PROPOSED RULES

[None].

FINAL RULES

[None].

DMM Advisory

July 16: International Service Resumption Notice – effective July 18, 2025. [**Brunei, Iran**].

Postal Bulletin (PB 22681, July 24)

- Effective **November 3**, DMM 505.1.0 is revised to clarify standards on forwarding returned paid-for Business Reply Mail (BRM) mailpieces. The Postal Service is adding new section 505.1.9, "Forwarding Returned Paid-for Pieces," to clarify that BRM mailers who want to forward return pieces to a different location may choose to enroll in Premium Forwarding Service Commercial. The following apply:
  - BRM pieces must be successfully invoiced and paid for in full before forwarded.
  - Mailers must follow the Premium Forwarding Service enrollment steps and successfully create a request within the application for the desired forwarding dates.
  - USPS will gather the returned, paid-for BRM pieces and dispatch the mail in bulk as Priority Mail Express or Priority Mail shipments to a new address.

  The Postal Service is also revising the DMM index to add a "forwarding returned paid-for pieces" item under the "Business Reply Mail" entry for easy search capabilities. This revision will provide BRM mailers with consistency in forwarding returned paid-for pieces. Although these revisions will not be published in the DMM until November 3, 2025, the standards are effective immediately.

- Effective **November 3**, DMM 705.18, "Priority Mail Express Open and Distribute and Priority Mail Open and Distribute," is revised for clarity and consistency. For consistency in the standard, the Postal Service is revising DMM sections 705.18.3.2 and 705.18.4.2 to include the eligible extra services for USPS Ground Advantage when enclosed in a Priority Mail Express Open and Distribute or Priority Mail Open and Distribute container.

  In addition, the Postal Service is revising DMM 705.18.2.2 and 705.18.5.5 because of an omission in the July 13, 2025, price change ("DMM Revision: Domestic Competitive Products Pricing and Mailing Standards Changes," *Postal Bulletin,* 22679, 6-26-25) for these products. DMM sections 705.18.5.1a and 705.18.5.1b were revised to reflect that the Postal Service is limiting the use of sacks to "parcels only" for Open-and-Distribute services.

  As a result of that revision, DMM section 705.18.2.2c will be deleted because the Postal Service is removing the option to place bundles directly in Open-and-Distribute sacks. Section 705.18.5.5 is being revised to reflect that the Postal Service is removing the option to use Open-and-Distribute sacks for letter trays and flat trays. Mailers are required to use the appropriate size USPS-provided tray box for Open-and-Distribute mailings of letter trays and flat trays.

  Although these revisions to the DMM will not be published until November 3, 2025, these standards are effective immediately.

- Effective **July 24**, IMM subchapter 260 is revised to reflect changes to M-bag service and to note whether Mbag service is available to each Individual Country Listing in the IMM.
- Effective **July 24**, Publication 223, *Directives and Forms Catalog,* is revised to include current information for the items noted.
- Effective **July 24**, Publication 431, *Post Office Box Service and Caller Service Fee Groups,* is revised to include the listed changes.
- The *Postal Bulletin* semi-annual index for January-July 2025 (issues 22667-22681) is included in this issue.

> 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

July 14, 2025

International Service Resumption Notice – Effective July 18, 2025

Effective Friday, July 18, 2025, the Postal Service will resume acceptance of mail destined to the following: **Brunei**; **Iran**. This service resumption affects the following mail classes: Priority Mail Express International (PMEI), Priority Mail International (PMI), First-Class Mail International (FCMI), and First-Class Package International Service (FCPIS), International Priority Airmail (IPA), International Surface Air Lift (ISAL), and M-Bag items. 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.

July 18, 2025

PostalOne System – Postage Statement Discount Reporting Issue for Seamless Mailings

The United States Postal Service has identified a reporting issue affecting Seamless mailings that auto finalized between June 29 and July 12, 2025. During this period, the Discount Subtotal columns on Postage Statements were not populated in: PDF/CSV downloads from PostalOne; IV-MTR Feed (Postage Statement Line Detail). The issue was resolved on July 13, 2025, and all statements submitted after that date now correctly include discount data in both formats. However, statements submitted during the impacted window are still missing discount details in both the PDF/CSV downloads and IV-MTR feeds. USPS is actively identifying affected statements and evaluating resolution options. Note: Discounts were accurately calculated and applied to all transactions. The Total Discounts were correctly reflected, and there are no known discrepancies in accounting or discount application. USPS is currently determining the best path forward to correcting the missing reporting data for statements submitted between June 29 and July 12. We appreciate your patience and understanding as we work to resolve this issue. During normal business hours M-F (7:00 AM CT – 7:00 PM CT), direct any inquiries or concerns to the Mailing and Shipping Solutions Center (MSSC) via email MSSC@usps.gov or telephone (877) 672-0007.

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.

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 30 – ***Mailers Hub* Webinar**
November 20 – ***Mailers Hub* Webinar**
December 11 – ***Mailers Hub* Webinar**

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