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USPS Reports Another Loss for PQII

On May 9, the Postal Service filed its *Form 10-Q* for the second quarter of the 2024 fiscal year (January 1 – March 31, 2024). The reported figures reflected how the agency’s situation has changed since the same period the previous year. Despite continuing to increase prices every six months, the Postal Service has not seen anything resembling the additional revenue that it might have expected. Total revenue in the second quarter of FY 2024 was only 1.87% higher than for the comparable period a year earlier.

(in millions)	Three Months Ended March 31,		Six Months Ended March 31,	
	2024	2023	2024	2023
Revenue:				
Operating revenue	\$ 19,712	\$ 19,302	\$ 41,326	\$ 40,801
Other revenue	3	51	6	108
Total revenue	19,715	19,353	41,332	40,909
Operating expenses:				
Compensation and benefits	13,296	12,937	27,331	26,979
Retirement benefits	2,602	2,471	5,183	4,927
Workers’ compensation	162	1,075	1,765	1,426
Transportation	2,145	2,430	4,669	5,442
Other operating expenses	3,080	3,057	6,142	5,890
Total operating expenses	21,285	21,970	45,090	44,664
Loss from operations	(1,570)	(2,617)	(3,758)	(3,755)
Interest and investment income	235	227	484	433
Interest expense	(133)	(90)	(266)	(186)
Net loss	\$ (1,468)	\$ (2,480)	\$ (3,540)	\$ (3,508)

See accompanying notes to the unaudited financial statements.

The usual explanations offered by the USPS include inflation, adjustments to marketing practices, and ongoing diversion to electronic media as causes of lower volume and, in turn, of lower revenue. The possibility that aggressive rate hikes could be a factor is not acknowledged by postal executives.

(in millions)	Three Months Ended March 31,		Six Months Ended March 31,	
	2024	2023	2024	2023
Operating Revenue:				
First-Class Mail ¹	\$ 6,590	\$ 6,310	\$ 13,318	\$ 12,867
Marketing Mail ²	3,653	3,579	7,781	7,942
Shipping and Packages ³	7,711	7,622	16,790	16,462
International	366	400	802	861
Periodicals	221	226	460	465
Other ⁴	1,171	1,165	2,175	2,204
Total operating revenue	\$ 19,712	\$ 19,302	\$ 41,326	\$ 40,801
Volume:				
First-Class Mail ¹	11,678	11,939	23,606	24,571
Marketing Mail ²	13,814	14,096	29,336	32,031
Shipping and Packages ³	1,714	1,689	3,749	3,626
International	75	82	167	187
Periodicals	671	737	1,403	1,538
Other ⁵	59	67	253	257
Total volume	28,011	28,610	58,514	62,210

Volume of the two largest classes of market-dominant mail was down 2.09% year-over-year, with their revenue down 3.58%, again suggesting that persistent price hikes are worsening volume loss. Although the price increases were

intended to increase income, the results would suggest that such a strategy may warrant reconsideration.

The first half of the fiscal year is typically the Postal Service’s best period for volume and revenue so, if that remains true for FY 2024, the rest of the year may do little to avoid the \$6.3 billion loss that the agency had projected last year.

PQ II did not yield significantly more Shipping and Packages volume and revenue, either, growing by 1.48% and 1.17%, respectively, compared to PQ II of FY 23. Such increases don’t indicate the growth in package business that the Postmaster General’s 10-Year Plan foresees, and has identified as critical to offset the loss of traditional hard-copy mail.

(in millions)	Three Months Ended March 31,		Six Months Ended March 31,	
	2024	2023	2024	2023
Shipping and Packages Revenue:				
Priority Mail Services ¹	\$ 1,945	\$ 3,011	\$ 4,434	\$ 6,630
Parcel Services ²	2,447	2,530	5,468	5,421
USPS Ground Advantage ³	3,087	—	6,415	—
First-Class Package Services ⁴	—	1,849	—	3,945
Package Services	232	232	473	466
Total Shipping and Packages revenue	\$ 7,711	\$ 7,622	\$ 16,790	\$ 16,462
Shipping and Packages Volume:				
Priority Mail Services ¹	180	274	416	594
Parcel Services ²	868	868	1,937	1,880
USPS Ground Advantage ³	554	—	1,168	—
First-Class Package Services ⁴	—	434	—	920
Package Services	112	113	228	232
Total Shipping and Packages volume	1,714	1,689	3,749	3,626

Meanwhile, neither expenses for the quarter nor the agency’s workforce aligned with decreased volume. Compensation costs were 3.02% higher than the same period last year and the Postal Service continued to increase both its workforce (up 6,001, 0.94%) and the proportion of fixed-schedule career employees (82.37% vs 81.20% last March).

(in millions)	Three Months Ended March 31,		Six Months Ended March 31,	
	2024	2023	2024	2023
Compensation	\$ 10,805	\$ 10,488	\$ 22,340	\$ 22,104
Employee health benefits	1,404	1,362	2,764	2,648
Social Security	635	639	1,291	1,311
Thrift Savings Plan	370	362	757	737
Other	82	86	179	179
Total compensation and benefits	\$ 13,296	\$ 12,937	\$ 27,331	\$ 26,979

The USPS blamed “systemic imbalances that make our current operating model unsustainable” and claimed “legal restrictions on pricing, service diversification, and operations currently restrict our ability to cover our costs” without acknowledging that its largest costs – wages and benefits – are based on labor agreements *it has negotiated*. Rather than making excuses, it might be more purposeful if the USPS governors asked if the PMG’s 10-Year Plan is really delivering.

Another Letter from US Senators Urges Pause in Network Changes

Postmaster General Louis DeJoy often shows his pique toward anyone or anything that he perceives is interfering or resisting the full-speed implementation of his 10-Year Plan. In speaking at a variety of venues, he's regularly chided industry groups, the Postal Regulatory Commission, and politicians for defending the "status quo" rather than supporting his initiatives, notably steep price increases and wholesale changes to the USPS processing, transportation, and delivery networks.

His most recent public exchange about his Plan was at an April 16 hearing before the Senate Homeland Security and Governmental Affairs Committee (see the April 22 issue of *Mailers Hub News*). In their statements, and particularly in the subsequent questions, most of the panel was critical of declining service and the potential consequences of planned processing facility changes. Several reiterated their concerns in a May 6 letter to the Postal Service's Board of Governors (see the May 6 issue of *Mailers Hub News*).

One more time

As if to further reinforce the Senate's growing concerns, a second letter – on May 8 from a bipartisan group of 26 senators – was address to the PMG and the Governors, repeating the call to pause further network realignment. The text of that letter is reprinted below:

"Dear Postmaster General DeJoy and US Postal Service Board of Governors:

"We call on you to pause planned changes to the US Postal Service's (USPS) processing and delivery network under the 'Delivering for America' plan, until you request and receive a comprehensive Advisory Opinion from the Postal Regulatory Commission to fully study the potential impacts of these changes.

"USPS is moving forward swiftly with plans to consolidate and alter its facilities across the country, making irrevocable changes to its processing and delivery network which links all communities. This plan includes moving mail processing further away from local communities, by transferring operations out of local facilities ('Local Processing Centers' and Delivery Units) and into more distant hubs ('Regional Processing and Distribution Centers' and 'Sorting and Delivery Centers'). The plan also includes 'local transportation optimization,' an initiative that cuts the number of truck trips and mail collections at USPS facilities, causing mail to sit overnight in local offices. USPS has begun to implement this change without notifying the public, causing critical delays for mail that requires overnight delivery.

"We are concerned about the impacts these changes have had so far, and the potential impacts that further changes could have. In regions where USPS has implemented significant changes, on-time mail delivery has declined. In addition, it is not clear these changes will improve efficiency or costs. Despite these concerns, USPS has moved forward with announcing and approving additional facility changes across the country. The nature of these changes creates concerns that local and rural service could be degraded. For example, USPS proposals to remove all outbound mail operations from local processing facilities seem to particularly harm local mail – since mail sent to a nearby locality would first have to go through a far-away processing facility, often in another state. "Local transportation optimization" has also caused disproportionate impacts on rural areas. In some rural communities, it has eliminated the possibility of overnight delivery for critical mail like medications and laboratory tests. Taken together,

these changes have a nationwide scope and would affect service across the country.

"We call on USPS to pause all changes, pending a full study of this plan by its regulator. While USPS claims these changes overall will improve service while reducing costs, there is evidence to the contrary in locations where USPS has implemented changes so far. USPS must stop implementation, restore service in those areas where changes were implemented, and fully understand the nationwide effects of its plan on service and communities.

"In particular, we urge the Postal Service to request a comprehensive Advisory Opinion from the Postal Regulatory Commission (PRC), which would provide a robust and public process to study the impacts of these changes. The request and analysis must include the full scope of network changes, including the intersecting changes to facilities across the nation (conversions to Regional Processing and Distribution Centers, Sorting and Delivery Centers, and Local Processing Centers) and local transportation optimization. During a hearing before the Committee on Homeland Security and Governmental Affairs, Postmaster General DeJoy stated that USPS would consider requesting an Advisory Opinion – and suggested that USPS may slow down 'mail move' changes in 2024. Disappointingly, the Postmaster General did not commit to the scope of an Advisory Opinion, or to meaningfully stopping changes until further study is complete.

"The Postal Service must promptly request a comprehensive Advisory Opinion to study the impacts of its full plan. USPS should pause all changes, including administrative approvals and on-the-ground changes, until the PRC completes this study and USPS incorporates the results. USPS must improve service immediately in areas where changes have been implemented, and restore status quo operations as much as practicable. The Postal Service's primary responsibility is to provide timely and reliable delivery to every community across the nation. While USPS must continue adapting as an agency to remain stable and serve the public's current needs, it must proceed with caution and understand the implications of its plans in order to protect mail delivery for all communities.

"Thank you for your attention to this urgent matter."

Among the signatories was Sen Gary Peters (MI) who, among other senators at the April 16 hearing, complained about DeJoy's lack of responsiveness to letters and requests for information from Congress. Having more than a quarter of the Senate express their common concerns about the PMG's Plan should be a clear signal to both DeJoy and his allies on the Board that they need to rethink that Plan and pause further implementation until the issues raised repeatedly by senators have been satisfactorily resolved.

Though yet to be manifest in a letter with numerous signatories, it's likely that similar concerns and displeasure exist among members of the House of Representatives.

More importantly, it's equally likely that DeJoy and the Board understand that, if they fail to take the hint and continue prosecuting the network changes that DeJoy's Plan contemplates, legislative measures could be initiated.

Though DeJoy and his government relations team have been known to minimize politicians' issues, and offer temporizing assurances that the Plan is both correct and essential, the growing awareness of service declines has drawn attention to the PMG's Plan in general. DeJoy likely is finally seeing the risks of further ignoring the message (see the next page).

DeJoy Concedes to Slowing Network Changes

After years of compliant support for Postmaster General Louis DeJoy's 10-Year Plan, the growing outcry over decreasing service performance seems to have inspired a member of the Postal Service's Board of Governors to offer a different opinion. Outsiders will never know whether that was a bold departure from the usual stilted consonance or a scripted preface to later events, but the coincidence is interesting.

In a public statement made at the Board's May 9 meeting, former Deputy PMG Ron Stroman agreed that the Postal Service needs to develop an integrated network for mail and packages, and noted that the hub-and-spoke network it's developing, modeled on those used by other carriers, "has the potential to create a more efficient network," but cautioned that "it has some inherent risks." He added:

"By streamlining transportation routes, consolidating mail and package volume, insourcing surface transportation centers, and reducing the number of plants, the design increases the risk for delays. In addition, consolidating mail and package volume in fewer locations means fewer but longer transportation routes, creating additional opportunities for delays.

"To better manage these risks, I believe we need to slow down new network changes until service has gotten close to our service targets for 2024. We should then more gradually phase in changes over time.

"Slowing down our network changes would accomplish several things. First, it would minimize the impact of any service declines on the entire network. Second, it would stop the necessity to address sustained service declines in several parts of the country simultaneously. Third, it would allow management more time to examine future network plans and to make necessary adjustments. Fourth, it would provide more time to ensure that the right employees are in place and provide them with the sufficient training. Finally, it would give the Postal Service more time to stabilize the network and ensure the country's confidence in our network and the design well ahead of the November presidential election.

"This network design is the most sweeping change to the Postal Service's processing and delivery network in over fifty years, and we need to proceed carefully. At last November's open session I said we should give the network change a fair opportunity to improve service, and while that does remain true, six months later that opportunity has yielded declining service performance.

Slowing further network changes, and re-examining our plans is the responsible next step."

Regardless of their motive, Stroman's public comments were unprecedented. No member of the Board has ever spoken out during the Board's open session in a way that was less than fawningly supportive of the PMG's Plan, let alone suggestive of the need for any degree of reconsideration.

After he concluded, no other governor made comments on the record, so it's unknown whether any of his colleagues supported his position. Given how tightly the Board's agenda and public statements are controlled, it's notable that Stroman was afforded the opportunity to deliver his diplomatically-worded message – which is exactly the cause to wonder about its context.

The timing and content of Stroman's cautionary message might have been related to the increasing Congressional scrutiny of how the PMG's Plan, particularly how the related network changes, are adversely impacting service. If so, the question becomes whether he spoke on his own initiative or

whether he was asked to offer his statement as a way to acknowledge the Board's awareness of Congressional interest, and establish a premise for separate actions the PMG may take to slow implementation of his network redesign. Subsequent events suggest things were already in motion, however, and that the PMG had already made his decision.

In a letter sent the same day to Sen Gary Peters, chair of the Senate Homeland Security and Governmental Affairs Committee, DeJoy referenced a conversation the day before (i.e., May 8, the day before the Board's open session). In his letter, DeJoy repeated his usual defense of what his Plan involves before finally agreeing to slow *some* network changes:

"Thank you for the opportunity to speak yesterday about the efforts we are undertaking here to fix the Postal Service network, and the areas of concern about which you are hearing from fellow Senators. I know we share the mutual goal to ultimately provide high-quality service for the American people in a financially sustainable manner. I am also in receipt of your letter dated May 8 and signed by a number of your colleagues.

"Mail Processing Facility Reviews: The Senate signatories of your letter and other letters I have received are almost entirely concerned about the mail processing facility reviews (MPFRs) we are undertaking at nearly 60 (out of 427) processing plants. These reviews are primarily considering whether to move originating volume to fewer regional plants to create consistency, precision, and efficiency. I attach a list of these sites, and it specifies the status of the study, its outcome if a final determination has been made, and the level of investment and cost savings.

"In all cases on the list where we are moving a small subset of our operations, we are also making modernizing investments to vastly improve employee amenities and the automation equipment that helps our employees do their jobs, and as a result we are substantially enhancing our processing capability. In some cases, the movement of these operations is freeing up space so that a Sorting and Delivery Center can be co-located at the facility, which could end up adding to our employee complement at the site. These reviews will also achieve vitally necessary cost savings, most of which would be achieved from reduced transportation.

"Please note that contrary to some misplaced assertions, the MPFR study is a process of transparency, where we have undertaken analysis, notified the public and interested stakeholders, and provided opportunity for public input - all of which we have considered before making our decisions. With only one or two exceptions, the MPFRs have not yet been implemented and the future plans to do so have not yet commenced.

"You have been hearing from fellow Senators about changes being made at processing plants in their home states, which your colleagues feel have the potential to adversely impact service in their states and especially locally.

"We do not see these planned actions as at all consequential to service; rather, they are important elements of achieving a network that can provide greater service reliability in a cost-effective manner. The career workforce will not see layoffs, new equipment will be installed, the facilities will not close, deferred maintenance will be performed, and working conditions will be substantially improved. I acknowledge that we have not been able to convince Congress of this, even though these efforts will both improve the facilities and facilitate the significant cost reductions that we absolutely must achieve to have any hope of financial sustainability.

"That said, I suspect that these misconceptions are based on the past when we did close these types of facilities as part of a

decidedly different strategy, and conflated with some current service issues we are experiencing. I also know that there is legacy desire among some segment of our workforce at the local level to maintain the status quo, which I understand but frankly am disappointed by. Through continued training and education, we will work to try to change hearts and minds and to sell the virtues of our plan for service excellence and financial health.

“Your Senate colleagues have also expressed concern about cases where originating volume (known as turnaround mail) is moved to be processed out of state or at a geographically more distant location. In all cases this is a distinct minority of volume (usually less than 15 percent). These actions will enable us to more efficiently handle most of the mail that is not turnaround mail, while still ensuring that we provide timely delivery for turnaround mail within established service standards. In your case, you have expressed concern about the Iron Mountain, Michigan MPFR, where we have determined that originating volume should be processed in Green Bay, Wisconsin. Again, that change has not taken place, nor is implementation planned yet.

“Further to our conversation yesterday, I agree to pause the movement of processing operations associated with the Mail Processing Facility Reviews. In response to the concerns you and your colleagues have expressed, I will commit to pause any implementation of these moves at least until after January 1, 2025. Even then, we will not advance these efforts without advising you of our plans to do so, and then only at a moderated pace of implementation. I will also continue to consider whether we should seek an advisory opinion from the PRC as a discretionary matter on our part, consistent with the process provided by 39 USC section 3661, taking into account the relevant legal requirements.

“I trust that this pause in implementation activity will be of interest to the signatories of your May 8 letter. I want to stipulate as part of the pause however that the positive investments in the facilities on the attached list will also not commence, just as the annual cost savings associated with these mail moves will not be achieved while we pause. We estimate the expected annual cost savings to be \$133-177 million, and the positive investments to be more than \$430 million.

“Chairman Peters, the dialogue we had yesterday was productive and it is my hope that this commitment to pause MPFR activity will work to restore confidence in the desired positive outcomes our modernization actions are meant to achieve from both a service excellence and cost savings perspective, and at a pace of network change that is acceptable.

“I am continuing to evaluate any additional changes we have underway and will advise you of our approach to satisfy any of your concerns regarding their engagement or any filing that might be warranted with the PRC. I need more time to evaluate and hope you understand the complexity of our challenge.

“In the meantime, we will continue to work hard to restore service in those areas impacted.”

The sum of these events tends to support the conclusion that the senator made clear to DeJoy that deferring further network changes was the smart thing to do. In turn, it would seem that the open session of the Board meeting provided a stage to give the public the impression that he was responding to the direction of the governors and not simply bowing to political pressure.

It deserves noting that his carefully worded agreement was to defer “movement of processing operations.” *He did not commit to a “pause” in either ongoing facility reviews or the opening of more RPDCs or S&DCs*, so the “pause” is simply to let the heat cool on politicians, not to truly alter his Plan.

The remaining item is whether he will agree to ask the Postal Regulatory Commission for an advisory opinion; he told Sen Peters that he would only “continue to consider” doing so. Given that his ego was bruised by the Senate hearing, the demands of the senators’ letter, and his concession to Peters to “pause” moving operations, it remains to be seen whether DeJoy will continue trying to appear conciliatory. Though he realizes the Senate could cause him serious problems, he may feel there’s less danger in ignoring the PRC, and so console himself by again defying the commission (see page 10).

USPS Files Limited Price Change for Competitive Products

On May 10, the Postal Service filed notice with the Postal Regulatory Commission of a price change for only one competitive product: Parcel Select. As stated in the USPS Governors’ *Statement of Explanation and Justification*:

“The Parcel Select price changes for July 2024 are designed to better align the Postal Service’s product and pricing strategies with its operating model and goals. In order to more effectively utilize the postal processing and transportation network and realize enhanced economies, the Postal Service no longer intends to incentivize parties to aggregate mail volume from multiple shippers and to bring such volume directly to the destination delivery unit.

“Accordingly, Parcel Select prices as a whole will increase 25.0% on average in July 2024. For destination delivery unit (DDU) entered parcels, the average price increase is 43.4%. These aggressive price changes for DDU promote full utilization of network processing and transportation capacity to achieve lower unit costs by realigning rate relationships across entry points. For destination hub (Dhub) entered parcels, the average price increase is 0.0%. For destination sectional center facility (DSCF) entered parcels, the average price increase is 8.6%. For destination network distribution center (DNDC) parcels, the average price increase is 18.6%. Prices for USPS Connect Local will increase 15.9% on average, in order to align with the DDU prices. No other price changes to the Parcel Select product, or any other competitive products, are established with this Decision.”

Generally speaking, the Postal Service’s Governors have the legal flexibility to adjust competitive product prices, with the Postal Regulatory Commission’s role limited to ensuring the prices meet the applicable legal requirements and contribute at least a minimum amount toward USPS institutional costs. Barring any opposition by the PRC, the announced increases will be effective July 14, concurrent with the price change for market-dominant products now under review by the PRC.

Observers noted that the reference to “full utilization of network processing and transportation capacity” suggests that the elimination of incentives for DDU entry may be, at least in part, to address Postmaster General Louis DeJoy’s concerns about “half-full trucks.” As a result, apparently rather than using smaller trucks, the USPS will now take on the costs of increased upstream package processing and inter-facility transportation so its trucks can be filled.

The notice also introduced a new level of destination entry: the destination “hub” (DHub), a type of facility distinct from an NDC/RPDC, P&DC/SCF/LPC, or DDU. According to the USPS, a “DHub” is between the SCF and the DDU and is for use only to transfer Parcel Select and 5-digit containers of Periodicals to delivery units (see the related final rule beginning on page 21).

USPS Board Chairman Blames Losses on Accounting Rules, not The Plan

Every month, quarter, and year, the Postal Service is required to report on its financial condition. The official quarterly report is on *Form 10-Q*, in which the USPS notes at the opening of its report, “The accompanying unaudited interim financial statements ... have been prepared in accordance with GAAP for interim financial information” GAAP is short for “Generally Accepted Accounting Principles in the US” that dictate how various revenue and cost items are to be calculated, recognized, and reported.

Because of these accounting rules, the Postal Service is required to include both costs it can control and those it cannot in its periodic financial reports in such a way that, looking at the bottom line, the agency believes creates an inaccurate picture of its efforts to control expenses.

In his remarks at the opening of the May 9 meeting of the USPS Board of Governors, Chairman Roman Martinez IV complained about this situation, and how unnamed commenters misconstrue financial reports by not recognizing the impact of GAAP rules as well as the difference between the costs postal management can control and those it can't.

To assure him and any others at the USPS that his perspective is presented to our readers, his comments are reprinted below; highlights are ours:

“Frankly, I am continuously disappointed to see how otherwise sophisticated stakeholders and observers of the Postal Service, and some with postal responsibility, consistently view and comment on our financial results from a simplistic look at our bottom line number, not appreciating the factors impacting that number.

“As you know, under the statute, the Postal Service operates similarly to a private corporation but with some important distinctions. We are committed to honoring our universal service obligation and ensuring that all Americans have access to postal services at a reasonable price. At the same time, we are required under law to be self-sustaining, that is, to cover our operating costs and capital investments from our own revenue, notwithstanding that there are substantial expenses and obligations that, by statute, we are not allowed to control or to manage. Thus, it is important that any assessment of our financial results be clear-eyed about the things that the Postal Service can control and the things that it cannot control.

“Because the Postal Service has no control over some key expenses, namely pensions and workers' compensation claims, it is important to assess its financial results by focusing on controllable income or loss, which is somewhat comparable to a business's operating income or loss. These are the results that may be addressed by management. When uncontrollable factors are included in the Postal Service's income statement, not as required by law but generally accepted accounting principles or GAAP, sizable losses are reported.

“Judging the financial results of the Delivering for America plan by simply focusing on the bottom line GAAP loss undermines and ignores the very real achievements being made by the hard work and efforts of our management and postal workers. I'll explain why by referring to our recent financial results. During the first six months of fiscal 2024, the Postal Service recorded approximately \$200 million of controllable income and reported a net loss of \$3.5 billion under GAAP. To many, the \$3.5 billion loss becomes the story, yet uncontrollable factors accounted for more than 100% of those losses.

“What were these uncontrollable factors? There are three main culprits.

“First, during the first two quarters, the amortization of unfunded pension liabilities of the Federal Employee Retirement System and the Civil Service Retirement System or CSRS amounted to approximately \$2.8 billion, and that amortization is recorded as an expense. This is a direct consequence of the requirement, by law, that the USPS pension contributions be handed over to the US Treasury to invest exclusively in US Treasury debt securities. This has resulted in a significant mismatch of pension assets and liabilities because these liabilities grow at a higher rate than the interest earned on the pension assets, and since these liabilities are adjusted by inflation, it has been particularly disastrous in periods of negative real rates of interest, as we have recently experienced.

“Other independent agencies, like Amtrak and [the] Tennessee Valley Authority are not constrained by these same limitations, and their retirement accounts fare significantly better than those of the Postal Service. It is worth recalling the recent Inspector General report that found that if postal retirement funds had been invested in a diversified 60% stock, 40% bond portfolio, our almost \$100 billion retirement deficit in 2022 would have been an almost \$800 billion surplus. And, by the way, the Postal Service pension funds are approximately 72% funded, while those of the federal workforce, excluding USPS, were approximately 37% funded as of December 2022.

“Second, the Postal Service remains saddled with paying a disproportionate share of CSRS costs, which is based on a flawed methodology. A recent report by our Inspector General noted that the Postal Service is expected to cover the full costs of CSRS benefits while other federal agencies are not.

“If the Office of Personnel Management used more modern actuarial methods as we, the PRC, and the Inspector General have concluded, this Postal Service would have roughly \$100 billion more in CSRS funds. This would eliminate the CSRS unfunded liability amortization payment, which totaled \$1.6 billion in the first half of this fiscal year. As you may recall, we have been seeking to resolve this issue by administrative action, but the office of Legal Counsel recently concluded that legislation is required to correct this unfair treatment.

“The third factor inflating the Postal Service's expenses is our workers' compensation obligations. As you may recall, an Inspector General report released last year concluded that the Postal Service's workers' compensation costs are significantly high because it is unable to adopt initiatives used in private industry. Annual workers' compensation expenses total roughly \$1.6 billion. These costs are determined by the Department of Labor and recorded on our income statement as controllable expenses although we have no ability to manage them. If the Postal Service could adopt some of the best practices used by the private sector, the OIG further estimated that we could have saved roughly \$350 million annually.

“Further, not only are these workers' compensation costs higher than they need to be, but the reported liabilities on the balance sheets can fluctuate wildly because GAAP requires that they be adjusted depending on changes in interest rates. At the end of 2023, those liabilities totaled \$14 billion. For every 1% change in interest rates, the liability could move by as much as \$1.4 billion in either direction, and that change then gets recorded on the agency's income statement. In the first half of 2024, it resulted in a non-cash expense of \$900 million.

“As I mentioned before, these three factors accounted for over 100% of our GAAP, or bottom line, reported losses in the first half

of the year. These are complex issues, but they are critical to understanding our financial results, and that is why I would urge anyone who is interested to read the three OIG reports I cited, as well as the recent OIG report analyzing the price of our stamp relative to those of other countries. We show that on a purchasing power parity basis we have the lowest price stamp.

"In closing, while we still expect to have a controllable loss this year, our finances are on track to improve significantly from the \$2.3 billion controllable loss in 2023, as our CFO's presentation will show later in this meeting."

Observations

Other than the superfluous comparison of stamp prices, the chairman's comments largely aligned with his April 16 testimony before the Senate Homeland Security and Governmental Affairs Committee (see the April 22 issue of *Mailers Hub News*). At that hearing, his focus was on what he argued were unfair financial circumstances, claiming that the Postal Service's liabilities could be ameliorated by less conservative investment requirements, changes in cost attribution, or greater control of workers' compensation costs.

At the hearing, there was little pick-up of Martinez's issues by the panel; their concerns were more about network changes and their impact on service.

Excuses for The Plan

His comments then and at the recent Board meeting might raise valid points but, in context, seem more meant to provide cover for the financial losses being reported by the Postal Service despite the rosier forecast made in 2021 by Postmaster General Louis DeJoy in his 10-Year Plan. At the outset of that document, it stated that

"... The Plan's strategic initiatives are designed to reverse a projected \$160 billion in losses over the next ten years by achieving break-even operating performance. We can accomplish this goal with modest regulatory and legislative changes, effective use of newly acquired and existing pricing authorities, operating more efficiently across our enterprise, and by driving revenue growth through innovative customer solutions. ..."

The document cited \$58 billion in savings from "legislative and administrative action" that included \$44 billion from "Medicare integration and eliminating the pre-funding requirement." Both of those goals have been achieved in recent legislation. The Plan also foresaw another \$14 billion savings (from 2021 through 2023) from correcting the "longstanding, unfair allocation of CSRS benefits for legacy 'Post Office Department' employees."

The funds in which the Treasury invests retirement funds, elimination of the FERS retirement system amortization, and the rules related to the workers' compensation liability weren't detailed as factors in The Plan's projected losses nor was their amendment cited in The Plan as contributing to the elimination of the then-projected \$160 billion loss over ten years. However, as the Postal Service's other strategies have failed to deliver promised efficiencies, and as the chances of the \$1.7 billion FY 2024 surplus assured by The Plan fades ever farther out of view, these additional sources of savings have belatedly been cited as necessary to enable The Plan's success.

Changing how GAAP requires items to be shown on financial statements wasn't in The Plan, either, and how GAAP rules worsen the appearance of USPS financial reports has only recently become an issue. As with the other factors cited above, it's becoming more and more important for the Postal Service's publicists to find ways to defend the shining promise of the PMG's Plan; blaming GAAP is convenient.

Omissions

Though the PMG and Chairman Martinez continue to cite inflation as contributing to the Postal Service's financial woes, they carefully avoid mentioning some inconvenient facts.

Most obviously, inflation isn't new; it was around, and a factor in USPS costs, long before Louis DeJoy.

Moreover, the CPI-based ratesetting process that the PMG decries as inhibiting his pricing authority was designed to enable postage rates to keep pace with inflation and ensure the agency adequate revenues *if it controlled its costs* which, clearly, it hasn't. Compounding this, the Postal Service has generously agreed in labor contracts to provide employees with regular cost-of-living increases *tied to inflation* which only worsened the agency's chances of financial balance.

Amidst the ingratiating praise for "hard-working postal employees" that seems required in any official statement, there's never mention of the ironic juxtaposition of increases in the career workforce and falling mail volume. Moreover, while the USPS likes to cite how many workhours they've cut, they don't set the reduction in context by defining the total workhours budgeted for the year.

To get a rough perspective, the Postal Service's National Payroll Hours Summary Report for Pay Period 10 (April 20-May 3), showed 49,644,063 as "gross pay & total paid hours." Extrapolating that over 26 pay periods per year yields an annual figure of 1,290,745,638. In such a scenario, if the USPS claims heroically that it cut nine million workhours, that would amount to a reduction of less than 0.7%. The steady decrease in mail volume over the past three years hardly makes anything less than an approximately equal workhour reduction anything worth trumpeting.

And, lastly, labor productivity was lower in FY 2023 than in any year in the preceding decade, and total factor productivity was the lowest since fiscal 2007.

Therefore, with all due deference to Chairman Martinez's desire to have the difference between controllable and uncontrollable costs recognized, and to enable interpretation of periodic financials accordingly, arguments over GAAP rules and the appropriateness of imposed costs should not be offered as explanations for the failure of the DeJoy administration to deliver promised cost savings and *efficiency*.

As the PMG looks to reduce collections and move more mail by truck – to reduce costs – he continues to avoid tackling the most costly element of the agency's expenses: labor. As monthly financial data shows, even as mail volume drops and revenue continues to ebb, more career workers are added, compensation and benefits grow, and productivity sinks to historic lows. Those can't be blamed on GAAP.

Lessons from Bemidji

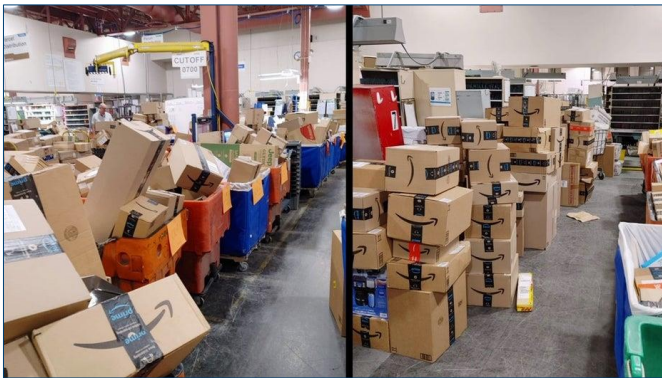
Bemidji is a small city in north central Minnesota that's the commercial hub for a population of hardy folk living in a place where winters are long and cold. The local post office is a modest-sized building supporting over fifty other post offices in the 566 ZIP Code area that extends north and northeast toward Canada, less than fifty miles away.



Bemidji was the focus of news reports last winter when its post office was flooded by Amazon packages, so much so that carriers complained about not being able to deliver other mail.

As reported December 12 by *KMSP*, the volume of packages required carriers to work at least twelve hour days, well into darkness. One long-time carrier documented the condition (and quit rather than be fired) illustrating the severity of the situation; reportedly, half of the office's sixteen carriers quit.

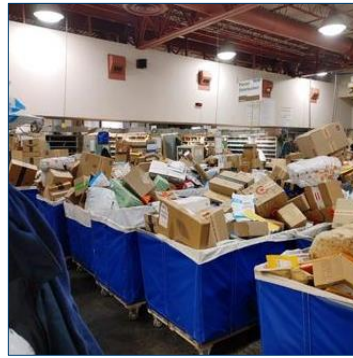
Another December 14 report by *WCCO* noted that the typical daily package volume per carrier jumped from about 150 to 400-500, but carriers were told that, no matter how long it took, "Amazon packages have to go out every single day," even if that meant curtailing other mail.



The situation got so bad that, as reported by the *Lakeland News*, carriers picketed "because of what they say are unfair working conditions for USPS employees and the prioritization of third-party packages over essential items like bills and medications." A subsequent "listening session" brought representatives of state and federal legislators.

As the situation became public, postal representatives claimed that "for the most part, all mailpieces and packages, including in Bemidji, are being delivered daily." Further, the USPS told members of Congress, the Minnesota-North Dakota district had 112 seasonal vacancies, but only fully hired 24 employees.

On December 19, Minnesota's two US Senators, Amy Klobuchar and Tina Smith, jointly sent a letter to the Postal Service's Inspector General asking for an audit of operations in the Minnesota-North Dakota District. They stated, in part:



"We write to request a full audit of the United States Postal Service's (USPS) Minnesota-North Dakota District operations. We are concerned by consistent reports from constituents across the state that mail is delayed, packages are piling up in post offices, and mail carriers are working well into the night, all while the Postal Service's district and national staff claim that delivery disruptions

are minimal. We believe it is time for the Office of the Inspector General (OIG) to investigate the dysfunction of the MN-ND District. ...

"Over the past several weeks, news outlets have reported on the situation in Bemidji, MN, where the sudden, albeit planned, influx of Amazon packages to the post office has taken a tremendous toll on workers and on service quality. Our offices held a listening session in Bemidji and heard from several letter carriers who quit because of the emotional and physical toll of the new workload. We also heard from Minnesotans whose mail had not arrived for days, only to later receive a large delivery with long-awaited mail. Small local newspapers that rely on the Postal Service to deliver are hearing from customers who received an entire week's worth of papers in one day.

"In response, we sent letters to Postmaster General DeJoy in November seeking answers on why the Postal Service's agreements with Amazon interfere with timely deliveries and stretch the agency's already-overburdened workers and system too thin. The Postal Service's response falsely accused the media and Members of Congress of spreading misinformation. The response also asserts that 'for the most part, all mailpieces and packages, including in Bemidji, are being delivered daily.' Reports from Minnesotans across the state, including from Senator Smith's own staff and their families, contradict that claim. We have spoken directly with the Postmaster General about these concerns, but we continue to have concerns with the state of the MN-ND postal system.

"... We are well aware that staffing has been a persistent issue in the MN-ND District. The district staff recently shared with congressional offices that they have only 60 percent coverage in rural areas. In a response to our inquiries, the US Postal service claimed to have taken every effort to hire seasonal staff. Yet, according to their December 4, 2023, letter, they had fully hired for only 24 of 112 vacancies. With continued staffing shortages and major retention issues, postal operations in the MN-ND District are in need of significant oversight.

"Even more concerning is that attempts to elevate the concerns of Minnesotans to the USPS have either been dismissed or met with assurances that everything is fine – that the reports of our constituents are incorrect. Last year, the Postal Service committed to providing updates on any major service disruptions in Minnesota, their current district leadership has refused to meet that commitment. Instead, the USPS claims that the public dashboard on its website provides sufficient information, but the dashboard is neither reliable nor sufficiently detailed.

"Their district staff now say that reports are too onerous and they will only respond regarding individual cases with signed privacy release forms. This lack of transparency deepens our concern that the serious issues in the MN-ND district are not receiving adequate attention. ..."

The senators asked the OIG to “initiate a district-wide audit and consider” a series of issues including data integrity and reporting, staffing and recruitment, service disruptions, and workforce adequacy.

The OIG reports

On May 6, the USPS OIG reported the results of its audit in a report titled *Delivery in Northern Minnesota*:

“In November 2023, community members and Postal Service employees in the Bemidji, MN, area contacted their congressional representatives and the media to express concerns about increased package volume disrupting mail service. ... To determine the extent of delivery issues in the Northern Minnesota area, in mid-December we visited the Bemidji Post Office and six surrounding post offices in Bagley, Shevlin, Solway, Northome, Kelliher, and Blackduck. ... Additionally, the office is responsible for transporting mail received from other processing facilities for 37 local retail and delivery units. ...”

“Finding #1: Management of Delivery Operations. ... On the morning of December 12, 2023, we visited the Bemidji Post Office and identified about 4,400 delayed letters and flats at 18 carrier cases and the PO Box section. Management did not accurately report this mail as delayed in the Delivery Condition Visualization (DCV) system. We did not identify any delayed packages in delivery operations. Management and employees stated that there was an emphasis on getting packages delivered each day to avoid customer inquiries and scanning failures.

“The package volume at the unit increased in November 2023, due to a large shipper beginning to deliver package volume directly to the unit in a process called drop shipment. On October 24, 2023, [after waiting 54 days] headquarters notified the Bemidji Post Office that a large shipper would begin using the Postal Service for package drop shipments eight days later, starting November 2, 2023. The large shipper estimated it would drop off an average of 2,408 packages to the Bemidji Post Office each day, which would have increased the package volume for the office by about 131% compared to the same period last year. The actual additional volume ranged from as high as 4,157 packages to as low as 53 packages per day during November 2023. The total package volume peaked in the first week of December 2023, with over 27,000 packages for the week.

“During our site visit, the Bemidji Post Office had 10 open rural carrier positions – 24% of its total authorized carriers. Further analysis of Postal Service data demonstrated that the unit had been under its authorized complement by six rural carriers since at least October 6, and continued to worsen through the end of January. ...

“Second, the Bemidji Post Office was not prepared by headquarters for a dramatic increase in packages in November 2023. Specifically, headquarters management did not effectively coordinate or communicate with the district and local management regarding the unit’s ability to deliver the projected additional drop shipment package volume. Headquarters management never asked district or unit management if the unit had enough resources, including package scanners and vehicles, to deliver all mail daily with the potential increase in packages. ...”

“Finding #2: Management of Mail Processing Operations. Management was not following standard operating procedures for mail processing in the Bemidji Post Office. We identified 78,948 pieces of delayed mail in the mail processing area of the Bemidji Post Office. ... We also identified poor mail staging practices during our observations. Specifically, clerks were positioning containers of incoming mail in front of mail that was already delayed, making the first in, first out process difficult to follow and monitor. ... This mail was delayed because Bemidji Post Office management was not



trained on processing operations. Specifically, headquarters management did not have a training program in place for delivery unit managers that were also responsible for processing operations. ...

“Management also did not properly report delayed mail in the MCV system because it was not aware of the proper procedure for reporting such delays. Further, the district manager was not monitoring mail

processing operations at the Bemidji Post Office because she was unaware that the district office was responsible for these operations prior to our audit. ...

“Management’s lack of training and awareness of proper mail processing resulted in mail being delayed at the Bemidji Post Office and for the delivery units that Bemidji services. ...”

The OIG recommended that USPS management:

- “... develop and execute a plan to verify that all delayed mail volume is entered into the proper system for the Bemidji Post Office;
- “... obtain and consider district and local management input on their ability to deliver all mail when assessing opportunities for new projected drop shipment package volume;
- “... develop and implement procedures to promptly communicate to district and local management any expected new drop shipment mail volumes and start dates for large shippers;
- “... coordinate with Headquarters and Central Area Human Resources personnel to identify and implement additional strategies to fill carrier vacancies at the Bemidji Post Office; and
- “... provide mail processing training that includes proper mail staging processes, managing critical mail entry and clearance times, scheduling extra trucks, staffing policies, and reporting delayed mail for all district and local managers who are responsible for mail processing operations in a delivery unit.

The OIG noted that USPS management “agreed with recommendations 1 and 4” but “disagreed with recommendations 2 and 3.” USPS management “disagreed that headquarters management did not effectively coordinate or communicate with the district and local management” but added that “it was not until unforeseen staffing issues occurred that the unit was placed at risk.” However, USPS management also “disagreed that the Bemidji Post Office was not prepared by headquarters for the dramatic increase in packages.”

It’s likely that the staffing and workload situation in Bemidji would have never been more than a local issue had the carriers not taken action and the state’s senators not gotten involved. Rather, as the initial responses of the USPS indicate, the Postal Service would have followed its usual pattern when an operational problem becomes public: circle the wagons, deny or minimize the problem, and dismiss reports as unfounded. (Even PMG Louis DeJoy belittled the reports about Bemidji during remarks at an MTAC meeting.)

Absent the OIG report, the postal culture’s aversion to being caught holding the hot potato of accountability would have meant responsibility for Bemidji’s problems would have been deflected downhill, from USPS HQ to the area, district, local managers, and finally to the carriers involved.

NAPS Refutes USPS Claims About “Supervisory Competency”

In a May 9 filing with the Postal Regulatory Commission, the National Association of Postal Supervisors made it clear that they didn't appreciate how the Postal Service threw its members under the bus regarding poor service in Georgia.

On April 11, as part of the ongoing PRC inquiry into the Postmaster General's 10-Year Plan (Docket PI2023-4), the commission had issued a “chairman's information request” to the Postal Service to which the USPS responded on May 3. That response was the motivation for NAPS' letter:

“... On page 17 of the CHIR of April 11, 2024, the chairman shared a chart that depicted the on-time performance for the Georgia District to be 18.29% for in-bound mail, 12.32% for outbound mail, and 11.25% for mail within the same ZIP code. CHIR No. 9 question 7a asked the USPS to ‘explain all the factors that have contributed to the poor performance in the Georgia District.’ On May 3, the USPS responded to this question, asserting, in part, that ‘Supervisory Competency’ contributed to the woeful performance in the Georgia District. The USPS cited ‘a standing management competency gap, with many managers and supervisors providing insufficient supervision and accountability.’

“NAPS is compelled to respond to this inaccurate, incomplete, and unsubstantiated claim. The USPS should not attempt to shift responsibility and deflect blame for its unsuccessful implementation of certain aspects of its DFA plan. The implementation failures have very little to do with intrinsic supervisory and managerial competency, but more to do with the resistance of the USPS executive leadership to the constructive input and appropriate training of its frontline supervisors, managers, and postmasters. Some of NAPS' longtime recommendations related to the lack of leadership's commitment to adequate and essential training for frontline supervisors. In many instances, particularly as related to the DFA, the USPS has not ensured the prompt completion of the essential and prescribed 26 weeks of supervisory training.

“In addition, prior to and during the early stages of the DFA, NAPS offered constructive and meaningful suggestions, stressing complement and training issues as these factors may impact DFA. However, in most instances these recommendations were summarily dismissed. For example, NAPS critiqued the staffing model used in Processing & Delivery Centers. The model has failed since the centers were first introduced. The ratio of 22 craft employees to 1 EAS manager, and then subtracting that total to the sum of the ratio of 25 craft employees to 1 EAS manager to determine the number of EAS MDO (Manager, Distribution Operations) resulted in failure. Moreover, the USPS has misused under-trained employees who should be operating mail processing equipment. Instead, the agency assigned them as acting EAS managers to save money and accelerate operational changes. Furthermore, these acting managers are working above the authorized complement of the 22:1/25:1 ratio set by the USPS. This staffing ratio is insufficient to achieve operational excellence. In addition, the use of under-qualified “acting” managers leads to increased operational costs attributable to excessive craft overtime. Also, NAPS strongly suggested much more robust and comprehensive new supervisor training to execute operational plans and changes more effectively. Furthermore, NAPS has suggested logistics realignments and consolidations associated with the DFA are moving too quickly and broadly, absent the opportunity to review performance and operational data, prior to broad DFA implementation.

“It is NAPS' intention to provide the Commission a more accurate depiction of the role its members play in postal operations in the Georgia District and throughout the country, rather than rely on such mischaracterizations as offered by the USPS in its response to question 7a in CHIR 9.”

Deflection

When problems have been detected or reported regarding any aspect of the 10-Year Plan, the Postmaster General's typical reaction (and, therefore, the reaction of the organization he leads) is to deflect blame to others rather than accept any responsibility. He and his inner circle are quick to take credit for successes, but equally quick to point elsewhere regarding failures; (see the article beginning on page 5 about how financial accounting standards are to blame for the poor financial results being reported).

In the Georgia situation, what NAPS is citing is hardly exceptional or new. Training is generally not being given the necessary emphasis in many situations. In its audit reports, the USPS Office of Inspector General regularly notes the lack of adequate training for staff and field supervisors and managers. It's unknown whether the Postal Service believes that it's cheaper in the long run to use under-trained personnel instead of investing in proper education, but the appearance would suggest that to be the agency's frequent surmise.

Training aside, the long-standing practice of temporarily elevating a craft employee to a supervisory role is inherently problematic. Being a stellar performer as a clerk, carrier, or other type of line worker does not mean an individual has the very different skills to manage people, especially if those people were his peers the day before – and will be again when his temporary assignment is over.

To expect a craft employee to suddenly be capable of extracting superior performance and efficiency from once and future co-workers is unrealistic and unfair to the temporary supervisor. For the USPS to make an official statement that such individuals are at fault for operational inefficiency is passing the buck at a world-class level.

Ironically, an important point that USPS HQ seems to overlook when it glibly blames “supervisory competency” for poor performance is its own role in the existence of any such shortcoming. It is USPS HQ that sets training requirements, establishes the related venues and curricula, and determines the time and resources to be invested in training. Similarly, USPS HQ oversees the realization of training goals and monitors field compliance with training instructions. Therefore, if there's a level of “supervisory competency” in Georgia or anywhere else that's below where it should be, USPS HQ cannot lay that blame at anyone else's doorstep – and it's hypocritical to do so.

Whether the commission incorporates NAPS' comments in its conclusions remains to be seen, but getting those comments on the record was appropriate and necessary to form a fair understanding of the situation

USPS Responds to PRC “Show Cause” Order

In a document filed late on May 16, the Postal Service replied to the Postal Regulatory Commission’s “show cause” order issued April 20, as part of the ongoing *Public Inquiry on Changes Associated with the Delivering For America Plan* (Docket PI2023-4).

Argument

As would be expected, the Postal Service contends that the commission’s order “significantly encroaches on the Postal Service’s discretion and marks a serious departure from Commission precedent.” The USPS also argues that

“The Commission has also provided no substantive basis for issuing the Show Cause Order. To justify the Order, the Commission notes its ‘skepticism’ that the various initiatives it references in the Order will not implicate Section 3661 if they are implemented on a nationwide basis, and points to recent service performance results, including the fact that service performance has declined ‘across several regions during and after the implementation of new facility types.’ However, the Postal Service has extensively explained in this and other dockets the reasons why problems arose in Richmond, Atlanta, and Houston due to poor operational execution and other factors, and has also noted that service has been improving as those regions have stabilized. The requirement to seek an advisory opinion is not triggered simply because of such temporary service performance challenges. Nor has the Commission identified any other reason why the Postal Service has violated Section 3661 beyond its speculation about potential future service impacts.”

The Postal Service also contends that an advisory opinion would be “unnecessary for some initiatives and premature for others.”

“Thus ... the legally operative question is not whether the initiatives identified by the Commission, ‘[i]f implemented together across the nation,’ will ‘impact service in significant ways.’ The proper questions are, instead, which of the identified initiatives would in fact constitute changes in the nature of postal services ... once implemented on a substantially nationwide basis, and at what time a determination to request an advisory opinion for only those specific initiatives must be made (either singly or in combination as determined by the Postal Service).

“As explained below, the ongoing PVS insourcing and S&DC initiatives will not result in changes to the nature of postal services at all. And while the LTO and the RPDC/LPC network initiatives may, pending further assessment of the impacts of their localized deployments thus far, require one or more advisory opinion requests ... the time for such a determination has not yet ripened.”

Of course, the Postal Service also disputes whether the PRC even has the legal authority to issue a “show cause” order.

“Congress set out separate and distinct roles for the Postal Service and the Commission in Section 3661. As detailed above, the Postal Service was expressly charged with determining when there should be a nationwide change in the nature of postal services and requesting an advisory opinion from the Commission within a reasonable time prior to the effective date, while the Commission was tasked with issuing an opinion on the Postal Service’s proposal after an opportunity for a hearing on the record. This division of responsibility represents a balance of the fundamental purposes of the Postal Reorganization Act: recognizing Postal Service management’s ‘freedom to manage without unnecessary limitations’ while providing an opportunity for the public to present their views on significant decisions that affect them.

It is also consistent with the Postal Accountability and Enhancement Act’s delegation to the Postal Service of primary responsibility for both long-range planning and day-to-day operations and the Commission’s complementary advisory role. As noted above, the Commission has previously recognized the Postal Service’s discretion.

“This discretion is substantial and can only be potentially circumscribed by the Commission in defined circumstances. ...”

After pages of argument refuting the PRC’s right (or authority) to issue a “show cause” order, the Postal Service dangles the possibility for future advisory opinion requests, stating

“While the Postal Service has complied with all its legal obligations at this stage, it has also been working through the process of determining whether to seek any additional advisory opinions from the Commission concerning the implementation of DFA Plan initiatives, including those that have been piloted thus far, and what the scope of any such advisory opinion case might be. Exactly how and when this process unfolds are squarely matters of Postal Service discretion. As the Postmaster General explained in his recent Congressional testimony before the Senate Homeland Security and Governmental Affairs Committee, the Postal Service’s first step is to understand the issues that are leading to disconnects between the DFA Plan and its execution, to determine whether any initiatives would, if implemented, result in changes to the nature of service on a substantially nationwide basis, and on that basis to decide whether any initiatives warrant an advisory opinion request. The Postal Service has been carefully considering these questions for weeks.

“The Postal Service has been earnestly engaged in determining the scope of any potential request, and the administrative requirements related to it, pursuant to a systematic, methodical, and deliberative approach. Although this process cannot and should not be rushed to accommodate the Commission’s arbitrary 40-day deadline (which by its terms is only triggered if the Postal Service is unable to show cause that an advisory opinion was not required – which we have done here), the Postal Service is working to resolve these questions and finalize any resulting proposals as soon as practicable. However, the current discussions are pre-decisional, and are not appropriate to share on an interim basis, let alone ripe for filing. Indeed, these matters strike at the very heart of the Postal Service’s most sensitive business deliberations and strategic decision-making. ...

“The Postal Service will continue its evaluation of the RPDC/LPC network and LTO initiatives and will request an advisory opinion, at such time and in such manner as required by Section 3661(b), if it determines that one or more of these initiatives present a change “in the nature of postal services which will generally affect service on a nationwide or substantially nationwide basis,” and the Board of Governors authorizes such request.”

Observations

The Postal Service’s response to the PRC’s “show cause” order illustrates many situations that have broad consequences for postal services and postal customers.

The first is the apparent presumption of statute that allowing Postal Service management to manage its own operations would result in sensible actions that reflect deliberate and inclusive planning and careful execution. In the current situation, whether for pricing or operational realignments, actions are being taken to implement a broad Plan that is driven by the arbitrary directives of a single individual and his aligned

senior executives, with little if any meaningful input from other stakeholders, whether ratepayers or field postal managers (see the OIG report on the Richmond RPDC). Allowing the Postal Service to run itself responsibly is one thing but, given the current circumstances and the widespread doubts about the planning and execution of its initiatives, failing to challenge the agency would itself be irresponsible.

Second, the Postal Service's general arguments essentially advocate against closing the barn door until after the horse has been allowed to plan and execute its escape. In asserting that plans and actions aren't yet "ripe" for review equates to telling the PRC that it should let the Postal Service do what it wants to do first, then, after it's finished, go through the advisory opinion process to decide whether it should have done what it did.

To many, that seems backwards. As has been seen in the opening the new RPDCs in Richmond and Atlanta, planning and execution were rushed, insight from local managers was ignored, and implementation problems were pushed aside despite significant and lingering service performance issues.

Meanwhile, repeated price increases have been imposed, indifferent to the consequence of these price hikes on mail volume – the numbers don't lie – yet USPS executives want us to look the other way. So far, it seems, implementation of the PMG's 10-Year Plan, has been "shoot, ready, aim," i.e., do what you want, see what happened, then find other people or conditions to blame. Rinse and repeat.

March Financials: Same Story, Different Month

March financial data did little to break the general pattern of earlier months. Total volume was lower than both the preceding month and March 2023, while total operating revenue for the month was lower than both plan and the same period last year.

Volume for the four market-dominant classes was 7.1% lower than March 2023, while competitive product volume which, according to the PMG's 10-Year Plan, is to grow as a source of needed revenue, was 3.2% lower as well.

Total revenue was down 3.7% compared to March 2023. Total expenses were 3.1% higher than plan but 9.7% lower than a year earlier. Nonetheless, the result was a \$790 million net loss for the month, pushing the total loss for the year to date to \$3.54 billion – on pace for a \$7+ billion loss for the year.

Volume and revenue

Total market-dominant mail volume was 7.1% lower than March 2023; First-Class Mail volume was down 6.0% and Marketing Mail fell by 7.7% compared to the same period last year. Meanwhile, competitive products volume was off by 3.2%. Total USPS volume was 9.187 billion pieces, down 6.9% from SPLY.

First-Class Mail: 3.625 bln pcs, **-6.0%**; 23.606 bln pcs, **-3.9%** YTD
Marketing Mail: 4.698 bln pcs, **-7.7%**; 29.347 bln pcs, **-8.4%** YTD
Periodicals: 244.6 mln pcs, **-11.0%**; 1.403 bln pcs, **-8.8%** YTD
Total Mkt Dom: 8.624 bln pcs, **-7.1%**; 54.836 bln pcs, **-6.5%** YTD
Total Competitive: 538.3 mln pcs, **-3.2%**; 3.510 bln pcs, **+3.9%** YTD
Total USPS: 9.187 bln pcs, **-6.9%**; 58.514 bln pcs, **-5.9%** YTD

The decrease in volume, coupled with market-dominant price increases totaling over 7.3% since March 2023,

Finally, the Postal Service continues to argue that The PMG's 10-Year Plan is merely a blueprint for separate actions that, being allegedly unrelated, don't constitute anything having a nationwide impact on postal services or that warrant any external review. That assertion defies logic and the PMG's fundamental claim that what he inherited from his predecessors needed comprehensive change. Such a broad revision to the agency would, by definition, include a wide range of functional elements so, to then claim they're not related, or that they would not make a difference to the service to postal ratepayers and customers nationally, is counterintuitive.

Even more broadly, the "show cause" order argument illustrated the flawed premise that USPS management, left alone to do what it wants, without any external controls, will result in responsible and positive actions that are beneficial to *both* the institution and its customers. To the PMG, any external oversight is "interference," "noise," or an "impediment" to doing what he wants – and that illustrates the problem.

As many in the postal ratepaying and customer communities – and in Congress – would argue, based on what they've seen, an executive who wants to operate unfettered requires exactly the opposite – a strong external regulator to blunt arbitrary measures implemented despite the obvious potential for adverse consequences.

Unfortunately, the current statutory framework enables the Postal Service to continue implementing The Plan, knowing that any later retrospective assessment really won't matter.

contributed to a 2.1% decrease in market-dominant revenue, compared to last March. USPS operating revenue for the month was \$6.478 billion, with the classes generally lower:

First-Class Mail: \$2.047 bln, **+0.3%**; \$13.318 bln, **+3.5%** YTD
Marketing Mail: \$1.211 bln, **-6.9%**; \$7.815 bln, **-2.0%** YTD
Periodicals: \$80.299 mln, **-5.4%**; \$459.73 mln, **-1.2%** YTD
Total Mkt Dominant: \$3.686 bln, **-2.1%**; \$23.492 bln, **+1.1%** YTD
Total Competitive: \$2.671 bln, **-3.8%**; \$17.032 bln, **+2.0%** YTD
Total USPS: \$6.478 bln, **-3.0%**; \$41.327 bln, **+1.3%** YTD

Expenses and workhours

Like the volume and revenue numbers, expenses varied compared to plan and SPLY. Total "controllable" compensation and benefit costs in March were \$5.568 billion, 5.2% over plan but 10.0% lower than March 2023; total expenses were \$7.351 billion, 3.0% over plan but 9.5% below a year earlier.

Workhour usage was 1.5% over plan while 4.7% less than a year earlier. Total workhours for the year-to-date were 0.9% over plan and only 1.4% below SPLY YTD. Moreover, despite less work, the USPS workforce is larger, and with *more* career employees.

Month's end complement: 645,075 employees (531,322 career, 113,753 non-career) **+0.94%** compared to March 2023 (639,074 employees: 518,924 career, 120,150 non-career), but **2.39% more** career workers.

Compared to March 2020, total USPS volume was down 15.23% (market dominant 16.30% lower; competitive up 14.07%), while operating revenue, after price increases totaling nearly 25%, was up only 6.84%. Despite significantly less mail, total workhours were down only 1.19% from four years ago. *All the numbers are on the next page.*

USPS Preliminary Information (Unaudited) – March 2024 ¹

OPERATING DATA OVERVIEW ^{1,2}	Current Period					Year-to-Date				
Revenue/Volume/Workhours (Millions)	Actual	Plan	SPLY	% Plan Var	% SPLY Var	Actual	Plan	SPLY ⁵	% Plan Var	% SPLY Var
Revenue										
Operating Revenue	\$6,478	\$6,508	\$6,677	-0.5%	-3.0%	\$41,327	\$41,485	\$40,801	-0.4%	1.3%
Other Revenue	\$2	\$1	\$50	100.0%	-96.0%	\$6	\$2	\$108	NMF	-94.4%
Total Revenue	\$6,480	\$6,509	\$6,727	-0.4%	-3.7%	\$41,333	\$41,487	\$40,909	-0.4%	1.0%
Operating Expenses										
Personnel Compensation and Benefits	\$5,568	\$5,290	\$6,188	5.3%	-10.0%	\$34,279	\$32,995	\$33,332	3.9%	2.8%
Transportation	\$683	\$758	\$821	-9.9%	-16.8%	\$4,669	\$4,889	\$5,442	-4.5%	-14.2%
Supplies and Services	\$292	\$273	\$293	7.0%	-0.3%	\$1,723	\$1,656	\$1,696	4.0%	1.6%
Other Expenses	\$762	\$767	\$789	-0.7%	-3.4%	\$4,420	\$4,477	\$4,194	-1.3%	5.4%
Total Operating Expenses	\$7,305	\$7,088	\$8,091	3.1%	-9.7%	\$45,091	\$44,017	\$44,664	2.4%	1.0%
Net Operating Income/Loss	-\$825	-\$579	-\$1,364			-\$3,758	-\$2,530	-\$3,755		
Interest Income	\$81	\$82	\$81	-1.2%	0.0%	\$484	\$498	\$433	-2.8%	11.8%
Interest Expense	\$46	\$51	\$32	-9.8%	43.8%	\$266	\$288	\$186	-7.6%	43.0%
Net Income/Loss	-\$790	-\$548	-\$1,315			-\$3,540	-\$2,320	-\$3,508		
Mail Volume										
Total Market Dominant Products ³	8,624	8,127	9,282	6.1%	-7.1%	54,837	52,281	58,644	4.9%	-6.5%
Total Competitive Products ³	538	551	556	-2.4%	-3.2%	3,510	3,525	3,379	-0.4%	3.9%
Total International Products	25	25	29	0.2%	-13.8%	167	166	187	0.6%	-10.7%
Total Mail Volume	9,187	8,703	9,867	5.6%	-6.9%	58,514	55,972	62,210	4.5%	-5.9%
Total Workhours	96	95	101	1.1%	-5.0%	581	576	589	0.9%	-1.4%
Total Career Employees	531,322		518,924		2.4%					
Total Non-Career Employees	113,753		120,150		-5.3%					

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	3,625,408	3,858,406	-6.0%	23,606,229	24,571,471	-3.9%
Revenue	\$2,047,331	\$2,040,924	0.3%	\$13,317,828	\$12,866,923	3.5%
Periodicals						
Volume	244,595	274,925	-11.0%	1,402,510	1,537,854	-8.8%
Revenue	\$80,299	\$84,857	-5.4%	\$459,725	\$465,076	-1.2%
Marketing Mail (excl. all parcels and Int'l.)						
Volume	4,697,822	5,088,572	-7.7%	29,346,776	32,045,578	-8.4%
Revenue	\$1,211,016	\$1,301,172	-6.9%	\$7,815,008	\$7,972,768	-2.0%
Package Svcs. (ex. Inb'd. Intl Surf. PP @ UPU rates)						
Volume	34,456	39,593	-13.0%	228,019	232,383	-1.9%
Revenue	\$74,804	\$81,907	-8.7%	\$473,351	\$466,227	1.5%
All other Market Dominant Mail						
Volume	21,388	21,100	1.4%	252,581	257,276	-1.8%
Revenue	\$272,590	\$256,625	6.2%	\$1,426,400	\$1,469,652	-2.9%
Total Market Dominant Products (ex. all Int'l.)						
Volume	8,623,669	9,282,596	-7.1%	54,836,114	58,644,562	-6.5%
Revenue	\$3,686,040	\$3,765,485	-2.1%	\$23,492,312	\$23,240,646	1.1%
Shipping and Package Services						
Volume	538,307	556,276	-3.2%	3,510,244	3,379,061	3.9%
Revenue	\$2,492,329	\$2,600,403	-4.2%	\$16,282,691	\$15,965,463	2.0%
All other Competitive Products						
Volume	-	-	0.0%	-	-	0.0%
Revenue	\$178,824	\$175,669	1.8%	\$748,901	\$734,496	2.0%
Total Competitive Products (ex. all Int'l.)						
Volume	538,307	556,276	-3.2%	3,510,244	3,379,061	3.9%
Revenue	\$2,671,153	\$2,776,072	-3.8%	\$17,031,593	\$16,699,958	2.0%
Total International ⁴						
Volume	24,843	28,607	-13.2%	167,284	186,675	-10.4%
Revenue	\$120,500	\$135,550	-11.1%	\$802,658	\$860,462	-6.7%
Total						
Volume	9,186,819	9,867,479	-6.9%	58,513,642	62,210,298	-5.9%
Revenue	\$6,477,693	\$6,677,107	-3.0%	\$41,326,563	\$40,801,066	1.3%

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										
FERS Unfunded Liabilities Amortization ⁶	\$192	\$192	\$158	0.0%	21.5%	\$1,150	\$1,150	\$950	0.0%	21.1%
CSRS Unfunded Liabilities Amortization ⁶	\$267	\$267	\$258	0.0%	3.5%	\$1,600	\$1,600	\$1,550	0.0%	3.2%
Workers' Compensation ⁷	\$144	\$--	\$687	NMF	-79.0%	\$944	\$--	\$697	NMF	35.4%
Total Pers. Comp. & Benefits	\$5,568	\$5,290	\$6,188	5.2%	-10.0%	\$34,279	\$32,995	\$33,332	3.0%	2.8%
Total Non-Personnel Expenses	\$1,737	\$1,798	\$1,903	-3.4%	-8.7%	\$10,812	\$11,022	\$11,332	-1.9%	-4.6%
Total Expenses (incl. interest)	\$7,351	\$7,139	\$8,123	3.0%	-9.5%	\$45,357	\$44,305	\$44,850	2.4%	1.1%

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	35,632	34,633	36,939	2.9%	-3.5%	213,202	209,481	214,806	1.8%	-0.7%
Mail Processing	15,728	15,078	16,436	4.3%	-4.3%	100,223	98,844	104,965	1.4%	-4.5%
Customer Services & Retail	11,749	11,636	12,763	1.0%	-7.9%	71,886	71,012	74,190	1.2%	-3.1%
Rural Delivery	18,646	18,546	19,826	0.5%	-6.0%	111,003	110,563	113,163	0.4%	-1.9%
Other	14,364	14,835	14,943	-3.2%	-3.9%	84,489	85,991	82,190	-1.7%	2.8%
Total Workhours	96,119	94,728	100,907	1.5%	-4.7%	580,803	575,891	589,314	0.9%	-1.4%

¹/March 2024 had one delivery day less and 1.75 retail days less compared to March 2023. YTD has the same delivery days and 0.25 less retail day 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 13,271 and Revenue of \$20,961; SPLY Market Dominant Volume of 14,352 (-7.5%) and Revenue of \$20,500 (+2.2%). Also includes Current Period Competitive Volume of 11,572 and Revenue of \$99,539; SPLY Competitive Volume of 14,255 (-18.8%) and Revenue of \$115,050 (-13.5%). ⁵/ This represents the US Office of Personnel Management (OPM) estimated amortization expense related to the Federal Employee Retirement System (FERS) and Civil Service Retirement System (CSRS). The actual invoices will be received between September 2024 and October 2024. ⁶/This represents non-cash adjustments: the impact of discount and inflation rate changes and the actuarial revaluation of new and existing cases. NMF = Not Meaningful Figure, percentages +/- 200% or greater.

Service Performance Far From the Targets

Suffice to say that PQ II/FY 2024 service performance was terrible, often worse than PQ I; the Postal Service’s own data reveals very few districts or areas achieved service targets.

The Postal Service lowered service standards for First-Class Mail and some Periodicals effective October 1, 2021. In FY 2023, the Postal Service also revised the geographic units used in its reports, basing performance data on the four areas and 50 districts established in 2020 rather than the preceding seven areas and 67 districts.

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

Claims

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

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

Variation

Compared to PQ II/FY 23, the PQ II/FY 24 national level scores were all lower for First-Class Mail, Marketing Mail,

and Periodicals. Districts in the west again generally performed better while those in the east generally did worse; the WestPac Area had all of the eight best quarterly average scores for First-Class Mail and Marketing Mail.

Few districts achieved the service targets for First-Class Mail: 20 districts met the target for overnight, 12 for two-day, 6 for 3-day, *none* for 4-day, and *none* for 5-day service; no districts met all the targets. For Marketing Mail, 34 districts achieved the service target for letters, as did 24 for carrier route mail, but flats remained a problem, with *only one* of the districts meeting the service target.

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

The second chart, below, shows the percentage of districts in each area that achieved the service target for the corresponding First-Class Mail or Marketing Mail. Aside from Marketing mail letters (which, in this case, are exclusively destination-entered), the scores show a majority of districts are falling short of meeting service targets. Again, these data suggest that service claims by USPS publicists tell the story the Postal Service wants mailers to believe, regardless of what actual results indicate.

The more granular data in the chart on the next page summarizes district and area scores for Presorted First-Class Mail letters/cards (overnight and 2-, 3-, 4-, and 5-day) and overall Marketing Mail (letters, flats, and carrier route). Even more granular data is available from the PRC; the full set of USPS service reports is on the commission’s website under the May 10 daily listing.

Summary of National-Level Service Performance – FY 2022-2024																		
Targets	Presorted First-Class Mail Letters/Postcards										Marketing Mail					Periodicals		
FY 22	94.75% overnight, 93.00% 2-day, and 90.50% 3-, 4-, & 5-day										91.84%					82.67%		
FY 23	95.00% overnight, 93.52% 2-day, and 92.20% 3-, 4-, & 5-day										93.64%					85.75%		
FY 24	95.00% overnight, 95.00% 2-day, and 93.00% 3-, 4-, & 5-day										94.62%					87.29%		
	Quarter					Year-to-Date					Quarter			Year-to-Date			Qtr	Yr/Dt
	Over-night	2-Day	3-day	4-day	5-day	Over-night	2-Day	3-day	4-day	5-day	Over-all Ltrs	Over-all Flts	Over-all CR	Over-all Ltrs	Over-all Flts	Over-all CR	Com-bined	Com-bined
PQ I/22	95.0	92.4	87.2	91.8	96.5	95.0	92.4	87.2	91.8	96.5	93.1	81.4	91.3	93.1	81.4	91.3	80.3	80.3
PQ II/22	94.3	92.3	86.0	86.8	94.2	94.7	92.3	86.6	89.3	95.3	93.0	81.7	93.0	93.1	81.5	91.8	81.1	80.7
PQ III/22	95.6	94.7	93.0	94.5	97.3	95.0	93.1	88.6	91.0	96.0	95.8	86.5	95.1	94.0	83.0	92.7	86.4	82.4
PQ IV/22	95.5	94.5	93.3	94.3	95.9	95.1	93.4	89.7	91.8	95.9	95.8	88.1	95.1	94.4	84.3	93.3	86.6	83.3
PQ I/23	94.4	93.1	91.2	92.2	93.4	94.4	93.1	91.2	92.2	93.4	95.0	85.5	93.6	95.0	85.5	93.6	84.4	84.4
PQ II/23	94.9	93.9	92.0	91.6	91.1	94.6	93.5	91.6	91.9	92.2	95.9	88.1	94.3	95.4	86.6	93.9	86.3	85.2
PQ III/23	95.3	94.4	93.4	94.0	91.3	94.8	93.8	92.2	92.6	91.9	97.0	91.3	95.6	95.9	88.0	94.3	88.7	86.5
PQ IV/23	95.2	93.9	92.3	92.6	90.2	94.9	93.8	92.2	92.6	91.5	96.6	89.9	94.7	96.0	87.9	94.4	85.8	86.3
PQ I/24	94.1	91.4	86.6	94.1	91.4	94.1	91.4	86.6	94.1	91.4	95.3	85.1	91.9	95.3	85.1	91.9	80.3	80.3
PQ II/24	93.0	91.4	84.8	85.5	77.2	93.5	91.4	85.7	87.0	79.1	94.7	84.7	93.0	95.0	84.9	92.3	83.9	82.1
PQ III/24																		
PQ IV/24																		

District Target Achievement % by Area Between 01/01/2024 and 03/31/2024 (PQ II/FY 2024)																	
Area	Presorted First-Class Letters/Postcards										Marketing Mail						
	Quarter					Year to Date					Letters (Overall)		Flats (Overall)		Car Rte (Overall)		
	O'night	2-Day	3-Day	4-Day	5-Day	O'night	2-Day	3-Day	4-Day	5-Day	Qtr	Yr to Dt	Qtr	Yr to Dt	Qtr	Yr to Dt	Qtr
Atlantic	33.3	0.0	0.0	0.0	0.0	25.0	0.0	0.0	0.0	0.0	83.3	75.0	0.0	0.0	33.3	25.0	
Central	8.3	0.0	0.0	0.0	0.0	16.7	0.0	0.0	0.0	0.0	58.3	58.3	0.0	0.0	33.3	33.3	
Southern	38.5	16.7	0.0	0.0	0.0	30.8	25.0	0.0	7.7	0.0	38.7	38.7	0.0	0.0	38.7	7.7	
WestPac	76.9	75.0	50.0	0.0	0.0	61.5	66.7	50.0	0.0	0.0	92.3	84.6	7.7	7.7	84.6	62.6	
Nation	40.0	22.9	12.5	0.0	0.0	34.0	25.0	12.2	2.0	0.0	68.0	64.0	2.0	2.0	48.0	32.0	

USPS Service Performance – % On-Time for *Mail in Measurement* Between 01/01/2024 and 03/31/2024 (PQ II/FY 2024)

Area/District *	Presorted First-Class Letters/Postcards **										Marketing Mail **					
	Quarter					Year to Date					Letters (Overall)		Flats (Overall)		Car Rte (Overall)	
	O'night	2-Day	3-Day	4-Day	5-Day	O'night	2-Day	3-Day	4-Day	5-Day	Quarter	Yr to Dt	Quarter	Yr to Dt	Quarter	Yr to Dt
Atlantic	94.6	91.6	87.2	87.1	74.9	94.5	91.2	86.5	87.9	76.8	96.2	95.9	85.4	85.2	94.0	92.7
Connecticut	94.4	86.3	85.5	81.6	68.7	94.4	86.0	85.7	83.4	71.9	96.0	95.6	87.0	83.9	94.9	90.2
DE-PA 2	93.5	93.3	84.7	86.2	78.4	93.8	93.1	84.9	88.2	81.9	96.6	96.5	85.1	85.6	95.2	94.7
MA-RI	92.4	91.4	85.6	80.8	55.9	92.1	90.7	83.9	80.5	60.3	95.7	95.2	84.9	82.6	93.1	90.5
Maryland	88.2	90.6	85.1	87.3	66.4	89.4	89.5	82.9	86.8	68.8	96.3	95.9	87.6	87.4	94.0	94.5
ME-NH-VT	94.5	92.1	89.4	85.5	67.8	94.8	90.8	87.2	84.2	70.5	94.2	94.1	83.8	83.1	91.6	91.2
New Jersey	96.7	91.6	88.2	90.2	82.6	96.5	91.3	88.0	91.4	83.8	96.1	96.0	83.1	84.9	94.6	95.0
New York 1	83.6	89.2	89.0	89.6	79.4	82.4	88.8	88.4	90.6	81.9	93.8	93.7	78.4	81.2	85.3	86.9
New York 2	89.2	91.6	88.8	89.5	78.0	90.7	91.4	88.4	90.7	80.9	96.3	96.0	77.5	80.3	92.5	92.4
New York 3	95.0	93.4	90.1	86.5	71.8	95.3	93.4	89.6	87.7	74.2	97.0	96.7	89.5	89.4	96.1	94.0
North Carolina	95.0	91.5	85.6	88.9	81.1	94.8	91.5	84.2	88.8	80.0	97.1	96.8	86.6	86.9	94.5	93.3
Pennsylvania 1	95.7	94.7	89.6	89.8	83.4	95.6	94.5	89.8	91.4	84.7	97.6	97.5	90.7	90.2	96.9	96.6
Virginia	93.2	91.9	84.1	86.9	62.7	92.6	89.9	81.9	85.6	64.4	94.9	94.3	85.5	81.8	92.5	86.5
Central ↓ MKT YTD	92.2	89.1	83.0	85.6	81.6	92.6	89.4	84.5	87.5	83.3	94.3	94.3	81.3	81.6	92.0	90.6
IA-NE-SD	89.3	90.0	84.8	91.2	88.2	91.5	92.0	87.5	92.4	89.6	93.3	94.5	84.5	87.4	94.3	94.8
Illinois 1	82.9	86.0	78.7	79.2	85.5	83.6	87.1	79.5	78.9	85.3	91.7	92.2	77.3	78.5	89.0	87.5
Illinois 2	90.5	89.0	84.0	73.3	77.4	92.0	89.9	84.7	75.7	80.5	90.2	90.5	72.2	72.3	84.7	81.9
Indiana	96.8	86.5	85.0	91.3	84.0	96.6	85.0	85.6	91.4	86.1	96.1	95.6	82.5	82.4	91.6	89.7
KS-MO ↓ FCM Q2/YTD ↓ MKT YTD	84.2	83.2	64.0	53.5	60.6	85.5	83.2	71.7	66.4	68.1	90.5	91.0	70.8	71.1	82.0	80.6
KY-WV	94.9	88.6	84.5	82.0	78.5	95.1	88.8	84.9	82.5	79.0	96.4	96.5	87.8	87.4	96.3	95.9
Michigan 1	93.4	92.1	84.7	88.1	88.7	93.5	92.9	85.3	88.7	87.9	96.6	96.6	88.1	87.8	95.2	95.2
Michigan 2	94.6	93.7	89.6	87.9	90.9	94.9	94.1	89.8	88.1	90.9	96.7	96.9	91.6	92.2	97.3	97.5
MN-ND	93.7	93.1	79.0	85.3	88.4	94.0	92.3	80.7	85.3	88.2	95.4	95.0	84.3	84.9	93.6	91.3
Ohio 1	93.8	93.5	88.2	84.3	72.6	92.4	92.9	87.8	85.6	77.3	95.8	94.5	81.9	80.7	94.1	91.1
Ohio 2	94.1	90.2	88.2	85.4	76.2	94.0	88.8	87.7	85.8	76.1	96.9	96.4	88.5	86.7	95.9	94.1
Wisconsin	92.3	89.9	80.9	81.4	85.1	92.8	90.1	81.7	82.0	86.6	94.2	94.9	79.0	78.8	93.5	93.0
Southern ↓ FCM Q2/YTD ↓ MKT Q2	90.8	89.0	81.7	86.5	76.2	92.3	89.8	83.8	87.5	78.3	92.0	93.4	82.5	83.2	89.8	90.8
AL-MS	92.9	86.8	75.3	74.0	72.3	93.4	86.7	76.8	76.7	73.3	90.7	92.2	75.6	79.2	87.2	90.9
AR-OK	95.5	90.7	78.3	75.0	77.8	95.4	91.6	81.9	78.8	81.8	95.5	96.0	87.4	88.0	96.1	96.1
Florida 1	95.2	94.9	83.7	89.6	79.9	95.2	95.1	83.0	89.1	77.9	94.6	94.4	82.4	79.2	92.2	90.3
Florida 2	96.4	95.7	91.0	92.9	85.3	96.5	95.5	91.1	93.3	85.6	95.9	96.3	88.0	86.0	94.9	93.5
Florida 3	94.8	91.4	86.8	88.3	72.9	94.6	91.4	87.3	89.1	76.8	93.6	94.5	79.2	78.2	88.8	87.6
Georgia ↓ MKT Q2	71.3	79.7	80.2	82.5	61.1	81.4	83.6	82.1	84.9	66.8	81.1	87.2	71.0	75.8	72.2	82.2
Louisiana	95.3	94.5	80.4	70.7	68.9	94.7	93.3	82.6	73.9	72.7	91.1	92.3	84.2	82.7	94.0	90.5
Puerto Rico	95.7	97.3	N/A	85.0	89.2	95.5	97.3	N/A	87.5	91.6	95.5	94.7	86.8	78.3	84.4	83.8
South Carolina	93.9	91.9	81.6	85.8	72.4	93.0	91.0	81.3	85.5	71.7	96.6	95.6	87.1	85.7	94.7	92.4
Tennessee	90.4	88.3	76.5	66.0	69.1	92.2	89.8	79.7	71.0	74.5	90.6	93.1	80.7	83.1	90.8	92.2
Texas 1	88.6	91.0	85.4	90.9	88.5	90.1	91.6	87.8	90.8	89.7	94.2	93.8	89.0	87.8	95.2	93.9
Texas 2	87.1	N/A	80.7	83.0	80.9	89.8	N/A	85.1	86.3	84.0	86.7	91.1	73.1	79.3	78.6	85.0
Texas 3	93.9	86.8	87.4	85.0	88.1	92.3	81.1	87.8	84.4	84.0	95.4	95.4	89.9	90.0	95.2	94.2
Westpac ↑ FCM/MKT Q2/YTD	95.3	95.8	91.6	81.8	77.1	95.2	95.7	92.0	84.1	79.1	96.7	96.7	89.9	90.3	96.1	95.1
Alaska	98.7	97.4	N/A	90.2	87.1	98.5	97.4	N/A	89.7	86.7	95.1	93.8	89.1	75.3	95.5	88.1
AZ-NM	96.1	96.6	87.7	82.7	80.2	96.5	96.5	89.0	84.2	80.0	96.4	96.2	89.7	91.1	97.6	97.4
California 1 ↑ MKT YTD	97.7	95.1	92.2	87.0	74.0	97.6	95.2	92.9	89.4	78.0	98.2	98.2	93.0	93.8	97.9	97.7
California 2	96.3	94.0	93.1	76.7	75.2	96.0	94.3	93.2	80.8	76.9	96.8	97.1	90.3	90.9	95.5	94.6
California 3	96.3	96.2	95.4	89.1	77.5	96.1	96.3	95.5	91.0	81.3	98.1	98.1	93.5	93.6	98.0	97.4
California 4 ↑ MKT Q2	98.2	97.1	96.0	90.0	82.5	98.1	97.1	96.2	91.9	84.3	98.3	98.4	95.2	94.7	97.1	95.9
California 5	95.4	96.6	94.5	82.5	78.3	94.6	96.6	94.3	86.2	81.5	97.0	97.0	88.9	88.9	94.8	93.9
California 6	97.1	96.8	95.6	91.6	83.3	96.9	96.6	95.3	92.3	85.0	98.3	98.2	89.7	90.6	97.2	96.5
CO-WY	92.3	92.2	86.4	82.6	78.7	91.8	92.5	87.7	83.8	79.1	93.9	94.4	82.3	83.2	91.0	89.2
Hawaii ↑ FCM Q2 ↑ FCM YTD	97.5	N/A	98.8	89.6	91.1	97.2	N/A	98.5	90.4	91.5	97.4	97.8	86.8	88.0	98.1	97.5
ID-MT-OR	93.9	96.9	88.0	76.6	73.1	94.3	96.6	88.5	80.4	75.7	94.9	95.3	87.2	88.9	93.8	93.2
NV-UT	94.1	91.6	87.5	72.8	75.9	94.4	89.0	88.9	75.2	77.4	96.5	96.0	91.4	90.1	97.0	95.8
Washington	95.1	95.1	89.9	80.8	72.3	94.2	94.3	89.3	82.1	73.3	96.8	96.2	90.5	90.6	96.7	95.7
Nation	93.0	91.4	84.8	85.5	77.2	93.5	91.4	85.7	87.0	79.1	94.7	95.0	84.7	84.9	93.0	92.3

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

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

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

Volume “In Measurement” Impacted by Exclusion Criteria

Though the Postal Service has ended its weekly litany of self-congratulatory press releases about service, the credibility of its executives’ remarks about service would be greatly improved if the universe of mail reflected by the scores was shown to be truly representative of the entire mailstream.

The more granular PQ II service performance data released May 10 perpetuates the question of whether the figures the agency uses in its statements truly represent the service experience of the associated class or category of mail.

Significant quantities of mail remain not “in measurement” for any of several reasons, as detailed in the charts below. (In the bottom chart, “total excluded volume” sums the column; “% RPW Vol Excluded” is the proportion of total volume for the corresponding category that was excluded, based on the quarterly *Revenue, Pieces, and Weight* report.)

Consistently, the leading causes of exclusion from measurement are “long haul,” “no piece scan,” and “no start-the clock.” The “long haul” exclusion, which mainly impacts Presort First-Class Mail, was supposedly remediated by a change that was approved by the PRC and implemented by the USPS at the end of May 2022, but volume excluded for that reason remains a significant portion of total excluded volume.

The other two leading reasons reflect the failure to capture a necessary container or mailpiece scan. The reasons for this vary – a documentation gap or omitted scans on the inbound dock – but could also derive simply from the mail not being processed on automation.

Regardless, so long as these exclusions persist, preparers of the associated mail will be unable to confirm that the service the USPS claims is actually what their mail receives.

FY 2024 Exclusions (%)		First-Class Mail Presort First-Class Mail				USPS Marketing Mail Letters and Flats across all products measured by IMb				Periodicals			
Reason	Description	PQ I	PQ II	PQ III	PQ IV	PQ I	PQ II	PQ III	PQ IV	PQ I	PQ II	PQ III	PQ IV
Excluded ZIPs	Excluded due to 3-digit delivery ZIP Codes that are not measured.	0.07%	0.05%			0.04%	0.04%			0.09%	0.11%		
FAST Appointment Irregularity	Irregularity with the mailing/trip captured by FAST (e.g., contents not matching 8125).	0.00%	0.00%			0.71%	0.46%			0.11%	0.03%		
Inaccurate Scheduled Ship Date	eDoc scheduled ship date time is 48+ hours earlier than the postage statement finalization date time	1.24%	0.40%			0.07%	0.04%			1.90%	0.90%		
Inconsistent Service Performance Measurement Data	Mail piece received inconsistent scan events when calculating service performance measurement (container/mail piece scans not in chronological order).	5.08%	4.42%			7.58%	5.86%			0.69%	0.68%		
Incorrect Entry Facility	eDoc entry facility does not match the facility specified in the associated FAST appointment.	0.00%	0.00%			0.00%	0.00%			0.00%	0.00%		
Invalid Entry Point for Discount Claimed	Entry Point for Entry Discount claimed in eDoc is invalid for the entry point and destination of the mail.	0.00%	0.00%			3.45%	3.13%			2.79%	3.88%		
Long Haul	Mail verified at a DMU then transported by USPS to a mail processing facility in a different district than the DMU.	26.44%	20.03%			0.48%	0.46%			3.81%			
No Piece Scan	No automation scan observed for the mail piece	6.00%	5.73%			31.03%	29.84%			58.38%	56.36%		
No Start-the-Clock	Lack of a container unload scan or inability to identify the FAST appointment associated to the container.	41.99%	52.85%			39.79%	43.86%			16.95%	22.31%		
Non-Compliant	Mail identified as non-compliant due to inaccuracies in mail preparation.	2.00%	2.11%			0.38%	0.26%			0.46%	0.23%		
Non-Unique IMb	eDoc contains mail pieces with a non-unique IMb.	2.88%	2.37%			3.08%	2.79%			3.83%	2.00%		
Non-Unique Physical IMcb	Physical containers with non-unique IMcb on the placard	1.15%	1.15%			2.69%	2.78%			0.85%	0.76%		
Orphan Handling Unit	Mailpiece associated to an Orphan Handling Unit not inducted at a BMEU	0.81%	1.24%			0.51%	0.71%			1.44%	1.72%		
Other	All other reasons	6.65%	4.70%			4.79%	4.21%			4.93%	2.83%		
PARS	UAA mail as indicated by ACS and/or PARS operation when mail piece is processed.	5.70%	4.94%			5.39%	5.56%			3.77%	4.31%		

FY 2024 Exclusions (Volume)	First-Class Mail Presort First-Class Mail				USPS Marketing Mail Letters and Flats across all products measured by IMb				Periodicals			
	PQ I	PQ II	PQ III	PQ IV	PQ I	PQ II	PQ III	PQ IV	PQ I	PQ II	PQ III	PQ IV
Excluded ZIPs	1,654,956	1,423,381			932,927	859,133			200,137	212,036		
FAST Appointment Irregularity	0	0			16,214,073	9,101,314			227,167	65,714		
Inaccurate Scheduled Ship Date	30,459,648	10,578,899			1,571,860	873,022			4,056,512	1,706,870		
Inconsistent Svc Perf Measurement Data	124,876,679	118,389,613			172,924,114	116,458,311			1,480,171	1,293,967		
Incorrect Entry Facility	0	0			0	0			0	0		
Invalid Entry Point for Discount Claimed	6,901	5,553			78,575,497	62,260,130			5,959,454	7,376,107		
Long Haul	650,329,425	536,002,500			10,992,132	9,120,750			8,141,070	7,380,429		
No Piece Scan	147,618,578	153,241,484			707,570,648	593,073,908			124,614,661	107,076,017		
No Start-the-Clock	1,032,971,320	1,414,352,632			907,128,001	871,766,289			36,186,497	42,387,177		
Non-Compliant	49,190,075	56,488,591			8,695,334	5,080,586			975,682	435,266		
Non-Unique IMb	70,848,806	63,482,308			70,258,371	55,426,360			8,168,041	3,795,415		
Non-Unique Physical IMcb	28,298,318	30,856,963			61,383,370	55,170,544			1,805,934	1,439,410		
Orphan Handling Unit	19,972,647	33,249,467			11,650,227	14,175,702			3,069,339	3,271,068		
Other	163,545,754	125,877,821			109,112,173	83,747,275			10,528,150	5,375,887		
PARS	140,257,939	132,239,134			122,955,097	110,494,464			8,051,388	8,181,839		
Total Excluded Vol.	2,460,031,046	2,676,188,346			2,279,963,824	1,987,607,788			213,464,203	189,997,202		
% RPW Vol Excluded	20.53%	30.62%			14.68%	14.38%			29.19%	28.31%		

All the Official Stuff

Federal Register

Postal Service

NOTICES

May 7: Privacy Act; System of Records: 38198-38202.

May 9: Product Change [17]: Priority Mail Express Negotiated Service Agreement, 39668; Priority Mail Express, Priority Mail, USPS Ground Advantage, and Parcel Select Negotiated Service Agreement, 39666; Priority Mail and USPS Ground Advantage Negotiated Service Agreement [15], 39665, 39665, 39665, 39666, 39666, 39666, 39666, 39667, 39667, 39667, 39667, 39667, 39667, 39668, 39668.

May 16: International Product Change: Global Expedited Package Services – Non-Published Rates, 42911–42912; Product Change [14]: Priority Mail Express and Priority Mail Negotiated Service Agreement, 42910; Priority Mail Express, Priority Mail, USPS Ground Advantage Negotiated Service Agreement [2], 42909, 42911; Priority Mail and USPS Ground Advantage Negotiated Service Agreement [11], 42909, 42909, 42909-42910, 42910, 42910, 42910, 42911, 42911, 42911, 42911, 42911.

May 17: Change in Rates of General Applicability for Competitive Products, 43441-43442; International Product Change – International Priority Airmail, Commercial ePacket, Priority Mail Express International, and Priority Mail International Agreement [6], 43442, 43442, 43443, 43443, 43443, 43443, 43443.

PROPOSED RULES

[None].

FINAL RULES

May 15: Domestic Competitive Products Pricing and Mailing Standards Changes, 42367-42382.

Postal Regulatory Commission

NOTICES

May 8: New Postal Products, 38928-38929.

May 9: New Postal Products, 39664-39665.

May 10: New Postal Products, 40515-40516.

May 14: New Postal Products, 42004-42005.

May 15: New Postal Products, 42514-42515.

May 16: New Postal Products [2], 42907-42908, 42908-42909.

May 17: Competitive Postal Products [2], 43439-43440, 43441; New Postal Products, 43440.

May 20: New Postal Products, 43882-43883.

PROPOSED RULES

[None].

FINAL RULES

[None].

DMM Advisory

May 10: US Postal Service Recommends New Prices for Parcel Select.

Postal Bulletin (PB 22650, May 16)

- Effective **June 1**, Labeling Lists L001, L007, L012, L201, L606, and L607 are revised to reflect changes in mail processing operations. Mailers are expected to label according to these revised lists for mailings inducted on or after the June 1, 2024, effective date through the July 31, 2024, expiration date.
- Effective **July 14**, DMM 703.5.0 is revised to clarify requirements for mailing free matter for the blind and other physically handicapped persons. Currently, DMM 703.5.0, “Free Matter for the Blind and Other Physically Handicapped Persons,” includes standards for eligible matter mailed to and by blind and other physically handicapped persons. The standards do not, however, address mailing for free eligible items between libraries and other noncommercial organizations eligible to participate in the US Library of Congress’s National Library Service for the Blind and Print Disabled (NLS). The standards also do not address mailing eligible matter by commercial producers of eligible matter. As a result, the Postal Service is revising DMM 703.5.0 to address these matters and is making other minor revisions for consistency. Although the Postal Service will not publish this clarification in the DMM until July 14, 2024, the standards are effective immediately.

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

USPS Industry Alerts

May 6, 2024

Officer Announcement: Vice President, Business & Commercial Initiatives

Bill Fraine has been appointed Vice President, Business & Commercial Initiatives, effective May 4, 2024. Bill will report directly to Postmaster General Louis DeJoy in this role and will be responsible for the creation and alignment of the Postal Service commercial strategy in concert with the network transformation changes to enable the Postal Service to accelerate growth. Bill brings extensive sales, operations and business development experience to this position which will guide how the Postal Services sells and integrates innovative solutions into the new transportation and processing network. Most recently, Bill served as the Chief Commercial Officer at GXO Logistics. Prior to GXO Logistics, Bill held several leadership positions at XPO Logistics, including Division President of the Americas and Asia, as well as Executive Vice President and Chief Operating Officer, where he was responsible for new product development and key customer growth. He also held the position of Senior Vice President of Business Development and was responsible for driving revenue growth for XPO Logistics. Bill started his career as a front-line employee in customer service, sales, and operations at FedEx. In total, he spent more than 20 years with FedEx serving in a variety of leadership roles—including the Senior Vice President of Sales.

May 7, 2024

Peer-to-Peer Networking Event at the National Postal Forum

The Peer-to-Peer networking event highlights one of the best aspects of the NPF – which is networking and learning from your colleagues. This event is designed for postal and industry subject matter experts to share their expertise on a wide variety of topics. This is an opportunity to engage in dialogue, ask questions, share best practices, and sharpen your tools to help your business grow. The room will be set-up in round tables, with each table being assigned a specific topic and an industry and postal leader to lead the discussion. Subject matter experts will be available to discuss the following topics: Informed Delivery; Informed Visibility – How to Best Use Mail Tracking Data; Enterprise Payment System 101; Seamless Acceptance Q&A; The Business Customer Gateway – Tips & Tricks; Periodicals/Nonprofit Q&A; USPS Promotions; CASS Cycle O & NCOA Link; Business Service Network (BSN) and MSSC Navigation and Best Practices; Transportation FAST, MTEOR; Navigating PostalPro; Hazmat/Structural Changes; Election Mail; Mailers Technical Advisory Committee; Postal Customer Council. This event will help you maximize your return on investment, hone your skills, or just provide an

opportunity to meet with colleagues in the industry. Snacks and refreshments will be available. The Peer-to-Peer networking event starts at 2:45 PM on Tuesday, June 4, 2024, in the workshop area at the Indiana Convention Center. If you haven't registered for NPF yet, there is still time, but you must act fast. Discounts will be expiring soon. For more information on how to register, visit the NPF website, www.npf.org.

May 8, 2024

2024 National Postal Forum – Workshop Matrix is available online

The Workshop Matrix is a tool to assist you in mapping out your educational journey at the National Postal Forum (NPF). The matrix lists all educational workshops and Leadership Insight sessions laid out in a grid, across four days of the forum. You have six workshop tracks to choose from (color-coded for easy reference): Pioneering the Future: Innovative Data Technology Solutions (Blue); Leadership Strategies for Professional Enrichment (Rust); Growing the Mail Through Innovation (Orange); Operations Efficiency from Mailing Preparation to Delivery (Purple); Designing Shipping Solutions for a Competitive Edge (Green); Supplier Connections: Supply Chain and Transportation Strategies for Success (Teal). The NPF app will be coming soon, but in the meantime, take advantage of the Workshop Matrix to plan your educational activities. NPF is offering two certifications by attending select workshops. The Direct Mail Professional certification requires attending seven workshops at the forum which are marked by a mailbox icon on the matrix. The Mail Center Manager certification requires attending five specific workshops on Wednesday, June 5. The workshops that qualify for the certification are marked by a graph icon on the matrix. Once you complete the required workshops you will be eligible for a Credly Badge, a digital certification, to display on your business social media sites. The Workshop Matrix is attached and also available on NPF's website: [NPF 2024 Workshop Matrix](#). With a wealth of education options available at NPF, the Workshop Matrix is your tool to customize your experience and get the information you need for you and your company to succeed. If you haven't registered for the forum, you have until May, 17. To register, visit the NPF website, www.npf.org. We look forward to seeing you soon at NPF.

May 10, 2024

Experience the 2024 National Postal Forum (NPF) Exhibit Hall

Visit the Premier Mailing and Shipping Expo – at NPF! The 2024 Exhibit Hall at NPF is sold-out with over 160 exhibitors scheduled to be on display. The largest Exhibit Hall in the shipping and mailing industry will feature the newest technologies, innovations, products, and services that are driving the industry forward in mail, print, logistics, supply chain, software, and more. USPS will be featured prominently on the Exhibit Hall floor: Smart Locker Learning Lab (Booth #1139) – The Learning Lab is a dedicated space focusing on the technology of the Smart Locker. We will have in-depth technical seminars for shippers interested in using the tools to send packages to USPS Smart Lockers. Sessions run in rotation during the hours of the trade show floor and are followed by appointment slots for one-on-one support. Inspection Service Booth (Booth #1239) – The US Postal Inspection Service is the law enforcement arm of the USPS and the oldest US federal law enforcement agency. At this year's NPF, Postal Inspectors will host a booth showcasing the latest tactical gear, dangerous mail investigative equipment, and their newest and most-advanced Mobile Command Center. USPS Consultation Area (Booth #1339) – Gain access to postal subject matter experts who are available for assistance on topics related to mailing, shipping, marketing, as well as postal processes and procedures. Consultations are available by appointment or walk-in. Consultation topics include Informed Visibility & Product Tracking, Address Management System, Enterprise Payment System, Mailer Scorecard, Mailing Shipping Solutions Center and more. Postal Customer Council (PCC) Advisory Committee (Booth #225) – Learn about the PCC program's mission to foster a close working relationship between the USPS and the mailing and shipping industry. Through collaboration, networking, and engagement, the PCC's goals are to share information about new and existing USPS business products, programs, services, and procedures. Stop by and learn about how you too can be a member of the elite nationwide PCC Community! Postmaster General's Mailers Technical Advisory Committee (Booth #228) – Visit the MTAC booth for more information on the members-only committee and learn about its mission to provide a venue for the USPS to share technical information with mailers, and to receive their advice and recommendations on matters concerning mail-related products and services. USPS Retail Station (Booth #943) – Stop by the USPS Retail station where you can not only mail items back home, but you can purchase USPS merchandise as well as Forever Stamps. USPS Sales Booth (Booth #923) – The USPS Sales booth will feature two of the newest USPS vehicles, the Next Generation Delivery Vehicle and the eTransit Cargo Van along with three different charging stations. The Smart Lockers and Rapid Dropoff Station will also be featured. Subject matter experts will be on hand to speak to you about USPS products and services like Ground Advantage and don't forget to play our interactive game to win exciting prizes. NPF Exhibit Hall Hours: Monday, June 3, 9:30 AM – 4 PM; Tuesday, June 4, 9:30 AM – 5:30 PM. NPF will feature a special Exhibit Hall Reception on Tuesday, June 4, from 4 PM – 5:30 PM. Attendees can network with exhibitors and fellow attendees as you view the latest technology and advancements in the industry. Food and beverages will be served. To plan your Exhibit Hall experience, visit NPF's website for more details: <https://www.npf.org/exhibits>. Registration for NPF ends on May 17, 2024. Visit NPF's website for more information on how to register: www.npf.org.

May 10, 2024

US Postal Service Recommends New Prices for Parcel Select

Today, the US Postal Service filed notice with the Postal Regulatory Commission (PRC) for Parcel Select price changes to take effect July 14, 2024. The proposed adjustments were approved by the Postal Service Governors this week. If favorably reviewed by the Commission, the new rates include an average 25% increase for Parcel Select service. Parcel Select is a shipping solution for high volume shippers to enter packages for regional delivery through the U.S. Postal Service's network. As a strategic part of the Delivering for America 10-year plan, these proposed changes will support the Postal Service in creating a revitalized organization capable of achieving our public service mission – providing a nationwide, integrated network for the delivery of mail and packages at least six days a week – in a cost-effective and financially sustainable manner over the long term, just as the US Congress has intended. The Postal Service continues to offer USPS Ground Advantage – a ground shipping solution that provides a simple, reliable, and affordable way to ship packages across the continental US with 2-5 day certain delivery based on distance. USPS Ground Advantage offers \$100 insurance included in the price, as well as free pickup on the carrier's route. No price increases are being proposed for USPS Ground Advantage. The PRC will review the changes before they are scheduled to take effect. The complete Postal Service price filing, with prices for all products, can be found on the PRC website under the Daily Listings section at prc.gov/dockets/daily. The Mailing Services filing is Docket No. CP2024-295. The price tables are also available on the Postal Service's Postal Explorer website at pe.usps.com/PriceChange/Index.

May 13, 2024

2024 National Postal Forum (NPF) Leadership Insight Sessions

The Leadership Insight Sessions at NPF brings together USPS officers and executives who will share updates on how they are achieving their goals in the Delivering for America plan. You will hear status reports on the modernization of our facilities and processing equipment, the electrification of our fleet, and our Electric Vehicle deployment schedule. We will brief you on how we are taking costs out of our transportation network and leveraging new contractors to speed delivery. We will share how we are protecting our carriers, stopping mail/package thieves, and protecting our customers' data. You'll get an update on our financials and hear what our pricing and product strategy is moving forward. We'll also share our IT infrastructure development plan, sustainability goals, and the latest innovations in retail and delivery. The Leadership Insight Sessions are scheduled throughout the four days of NPF. Session information is provided below including presenters, dates, and times of presentations. All Leadership Insight Sessions will take place in Ballroom 500 at the Indianapolis Convention Center. More information can be found on-site in the NPF Program Guide, on the NPF app, or on NPF's website: www.npf.org. Leadership Insight Session Schedule:

PRICING AND PRODUCT STRATEGIES ALIGNED FOR FINANCIAL STABILITY. Luke Grossmann, SVP Finance and Strategy; Steve Monteith, Chief Customer & Marketing Officer & EVP; and Sharon Owens, VP Pricing and Costing, Sunday, June 2, period 2, 2:45 PM – 3:45 PM

USPS TECH: YOUR KEY TO POWERFUL INTEGRATIONS. Shibani Gambhir, VP Sales Intelligence and Support; Angela Lawson, VP Technology Applications; and Pritha Mehra, Chief Information Officer & EVP; Sunday, June 2, period 3, 4 PM – 5 PM

DELIVERING SUSTAINABLE RESULTS. Jennifer Beiro Reveille, Sr Director Environmental Affairs & Corp Sustainability; Kevin Couch, Sr Director Maintenance Operations; Judy de Torok, VP Corporate Affairs; Vicki Stephen, Director, Next Generation Delivery Vehicle Program; and Yvonne Yoerger, Director, Employee Communication & Content Management; Monday, June 3, period 5, 1 PM – 2 PM

REVITALIZING FACILITIES FOR A MODERN NETWORK. Scott Bombaugh, Chief Technology Officer & EVP; Ben Kuo, VP Facilities; and Vicki Stephen, Director, Next Generation Delivery Vehicle Program; Monday, June 3, period 6, 2:15 PM – 3:15 PM

FROM THE DOCK TO THE DOOR: A NEW RETAIL EXPERIENCE. Dr. Joshua Colin, Chief Retail and Delivery Officer & EVP; Angela Curtis, VP Delivery Operations; Ben Kuo, VP Facilities; Elvin Mercado, VP Retail and Post Office Operations; and Gary Reblin, VP Innovation Business Technology; Monday, June 3, period 7, 4 PM – 5 PM

THE EVOLUTION OF USPS TRANSPORTATION STRATEGY: CONNECTING THE DOTS BETWEEN THE NETWORK AND CUSTOMERS' NEEDS. Kelly Abney, Chief Logistics Officer & EVP; Isaac Cronkhite, Chief Processing & Distribution Officer & EVP; Robert Cintron, VP, Logistics; and Pete Routsolias, VP Transportation Strategy; Tuesday, June 4, period 9, 1:30 PM – 2:30 PM

A NEW DELIVERY FLEET TO SERVE AMERICA'S NEEDS. Dr. Joshua Colin, Chief Retail and Delivery Officer & EVP; Angela Curtis, VP Delivery Operations; Justin Glass, Director, Fleet Management; and Vicki Stephen, Director, Next Generation Delivery Vehicle Program; Tuesday, June 4, period 10, 2:45 PM – 3:45 PM

CONFIDENCE IN THE MAIL AND SECURING TOMORROW'S DELIVERIES. Gary Barksdale, Chief Postal Inspector; Scott Bombaugh, Chief Technology Officer & EVP; and Heather Dyer, VP Chief Information Security Officer; Wednesday, June 5, period 11, 8 AM – 9 AM

In addition to the Leadership Insight Sessions, NPF offers an abundance of educational and networking opportunities including two Keynote sessions, over 120 workshops, 160 exhibitors in the Exhibit Hall, a Peer-to-Peer networking session, a Consultation Center, multiple certifications, and a Wednesday guest business speaker on Artificial Intelligence. NPF takes place June 2-5, 2024, in Indianapolis, Indiana. Registration is closing soon; to register for the Forum, visit www.npf.org. All discount information is under the registration info tab on the website. We look forward to "Connecting at the Crossroads" in Indianapolis!

May 15, 2024

2024 National Postal Forum Registration Closes This Week

Act Now: time's running out! The National Postal Forum (NPF) is set to begin in just 17 days and registration will close this Friday, May 17, 2024. Attending NPF offers you countless opportunities to exchange ideas and interact with industry leading professionals, USPS leadership, and top influencers. Encompassing four days of education, networking, and certifications, NPF will prepare you with the right skills to succeed. Registration Benefits: Monday's Keynote session from the 75th Postmaster General (PMG) and CEO, Louis DeJoy; he will provide a status update on the Delivering for America plan and future endeavors. Tuesday's Keynote session featuring members from the USPS Leadership Team; they will cover the evolving product and customer solution opportunities arising from a new, modernized, efficient, and effective operating model and network design. Wednesday Town Hall, with live Q&A featuring PMG, Louis DeJoy. Wednesday Luncheon Business Speaker, Zach Kass, former Head of Go-to Market for Open AI; he will discuss how artificial intelligence will positively impact mankind. Eight Leadership Insight sessions led by officers and executives of the Postal Service who will cover a variety of topics including Transportation, Safety, Sustainability, Retail and Delivery Operations, Fleet Improvements, Facilities Improvements, Pricing and Product Updates, and IT Changes. Over 100 workshops and sessions, including three certifications with Credly credentials. A state-of-the-art sold-out Exhibit Hall with 160+ Vendors, encompassing the entire shipping and mailing supply chain. Four evening receptions, including the closing event at the Indiana Roof Ballroom, Indianapolis' premier event venue. For more information on how to register and for information on how to take advantage of discounts, visit: www.npf.org. NPF takes place June 2-5, 2024. All roads lead to the Indiana Convention Center in Indianapolis, IN. We look forward to seeing you soon.

May 16, 2024

USPS is Hosting Webinars to Answer Payment Check Related Questions

The US Postal Service remains committed to improving efficiency, security and enhancing visibility and transparency to our customers. The US Postal Service is inviting all customers to attend a webinar regarding the upcoming payment check process effective August 1, 2024. Upcoming Webinars:

- May 20 at 1:00 PM – 3:00 PM EST; Meeting URL: https://usps.zoomgov.com/webinar/register/WN_lp572LBjT3GTy2_ud9Vvxg; Meeting ID: 161 981 2435; Password: 681349
- May 23 at 10:30 AM – 12:30 PM EST; Meeting URL: https://usps.zoomgov.com/webinar/register/WN_sTq_NHLXtFSGYGorgiwMwA; Meeting ID: 161 881 7258; Password: 406122
- June 13 at 1:00 PM – 3:00 PM EST; Meeting URL: https://usps.zoomgov.com/webinar/register/WN_21OifeqLSR6kaLF1iJ9FxQ; Meeting ID: 161 040 9133; Password: 970190

- June 20 at 1:00 PM – 3:00 PM EST; Meeting URL: https://usps.zoomgov.com/webinar/register/WN_RhDk0xekSwio4maRgLrWg; Meeting ID: 160 888 9606; Password: 09104
- July 11 at 1:00 PM – 3:00 PM EST; Meeting URL: https://usps.zoomgov.com/webinar/register/WN_5_nnYdOcQBAPVkk-Q_8saQ; Meeting ID: 160 209 5233; Password: 262085

Join Audio by the options below: Call using Internet Audio; Dial: 1-855-860-4313, 1-678-317-3330, or 1-952-229-5070 & follow prompts
 What will be covered: Proper manifest and file submissions; USPS systems and processes; Quality mailer scoring; Next steps and communications

Why: Effective August 1, 2024, all shippers must provide payment documentation prior to entry of packages. The Postal Service will begin enforcement of payment documentation and any packages that do not have valid payment documentation prior to entry are considered abandoned and subject to interception and destruction. As a reminder, all mailers must pre-pay postage, fees, and charges for extra services before the mailing is accepted by the US Postal Service and processed in a US Postal Service facility.

May 17, 2024


Last Day to Register Online for the 2024 National Postal Forum (NPF)

Pre-registration for the National Postal Forum – the largest shipping and mailing conference of its kind – closes today, Friday, May 17, 2024. Register now and be one of some 4,000 attendees representing all sectors of the mailing supply chain in Indianapolis – the Crossroads of America. National Postal Forum “Connecting at the Crossroads” 2024 highlights: Monday Keynote session from the 75th Postmaster General (PMG) and CEO, Louis DeJoy; Tuesday Keynote session featuring members from the USPS Leadership Team; Wednesday Town Hall with live Q&A featuring PMG, Louis DeJoy; Wednesday Luncheon Business Speaker, Zach Kass, former Head of Go-to-Market at Open AI; Eight Leadership Insight sessions led by officers and executives of USPS; 100+ workshops and three Professional certifications with Credly credentials; An Exhibit Hall that features 160+ vendors and supply chain partners, including a Consultation Center where you can meet with USPS subject-matter-experts; Four nightly networking events designed for you to connect with peers and colleagues; And so much more! After today, all registrations must be made on-site at the Indiana Convention Center, at the registration counter in the Exhibit Hall. The hours for registration are: Saturday, June 1: 12 PM – 5 PM; Sunday, June 2: 9 AM – 5 PM; Monday, June 3: 7 AM – 5 PM; Tuesday, June 4: 7 AM – 5 PM; Wednesday, June 5: 8 AM – 12 PM. For more information on how to register and for information on how to take advantage of discounts, visit: www.npf.org. Under the “Registration Info” tab, select “discounts” to see the value that awaits you. See you in 15 days in Indianapolis!

May 17, 2024

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

The Postal Service is hosting bi-weekly webinars on utilizing the Business Customer Gateway (BCG) for electronic documentation (eDoc) and postage statement submission. The topics alternate between using the Business Customer Gateway (BCG) / Postal Wizard (PW) and Intelligent Mail for Small Business (IMsb) Tool applications. Learn how to eliminate hard copy postage statements and submit Full-Service mail! Software customers should work with their software provider to find eDoc solutions. As an additional tool to assist mailers with the conversion to Electronic Postage Statement submission, the Postal Service has published a video outlining how to use the Business Customer Gateway and Postal Wizard postage statement submission available on PostalPro: Industry Session: Business Customer Gateway and Postal Wizard Recording | PostalPro (usps.com). Also, a recording of the IMsb Tool session has been posted on PostalPro: Industry Session: Intelligent Mail Small Business (IMsb) Tool Recording | PostalPro (usps.com). Upcoming webinars: May 21, Business Customer Gateway (BCG)/ Postal Wizard (PW); June 4, Intelligent Mail for Small Business Tool (IMsb); May 7, Intelligent Mail for Small Business Tool (IMsb). Join us for the next session – Business Customer Gateway (BCG)/ Postal Wizard (PW) on Tuesday, May 21, 2024, at 1:00 PM EST. Meeting URL: <https://usps.zoomgov.com/j/1603767418?pwd=TTFONWNVMXQ2UW1wcUVcEt5WFllZz09>; Meeting ID: 160 376 7418; Password: 996767. If requested, enter your name and email address; Enter meeting password: 996767. Join Audio by the options below: Call using Internet Audio; Dial: 1-855-860-4313, 1-678-317-3330 or 1-952-229-5070 & follow prompts. Note: Meeting links and presentations are also posted on PostalPro and can be found at Mailing Services | PostalPro (usps.com).

	<p>The services of Brann & Isaacson are now available to provide legal advice to subscribers. The firm is the Mailers Hub recommended legal counsel for mail producers on legal issues, including tax, privacy, consumer protection, intellectual property, vendor contracts, and employment matters. As part of their subscription, Mailers Hub subscribers get an annual consultation (up to one hour) from Brann & Isaacson, and a reduced rate for additional legal assistance. The points of contact at Brann & Isaacson are: Martin I. Eisenstein; David Swetnam-Burland; Stacy O. Stitham; Jamie Szal. They can also be reached by phone at (207) 786-3566.</p>
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Calendar

To register for any Mailers Hub webinar, go to MailersHubWebinars.com

May 28 – [Mailers Hub Webinar](#)

June 2-5 – National Postal Forum, Indianapolis (IN)

June 2-6 – IPMA Educational Conference, Des Moines (IA)

June 18 – [Mailers Hub Webinar](#)

July 9 – [Mailers Hub Webinar](#)

July 14-17 – NACUMS Educational Conference, Austin (TX)

July 30 – [Mailers Hub Webinar](#)

August 13-14 – MTAC Meeting, USPS Headquarters

August 20 – [Mailers Hub Webinar](#)

September 10-12 – Printing United Expo, Las Vegas (NV)

September 17 – [Mailers Hub Webinar](#)

October 1 – [Mailers Hub Webinar](#)

October 15 – [Mailers Hub Webinar](#)

October 22-23 – MTAC Meeting, USPS Headquarters

November 12 – [Mailers Hub Webinar](#)

December 3 – [Mailers Hub Webinar](#)

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USPS FINAL RULE – Domestic Competitive Products Pricing and Mailing Standards Changes

POSTAL SERVICE

39 CFR Part 111

Domestic Competitive Products Pricing and Mailing Standards Changes

AGENCY: Postal Service.

ACTION: Final rule.

SUMMARY: The Postal Service is revising *Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM)*, to reflect changes to pricing and mailing standards for certain competitive products.

DATES: Effective July 14, 2024.

FOR FURTHER INFORMATION CONTACT: Steven Jarboe at (202) 268-7690, Catherine Knox (202) 268-5636, or Garry Rodriguez at (202) 268-7281.

SUPPLEMENTARY INFORMATION: This final rule describes new price and product features for competitive products, by class of mail, established by the Governors of the United States Postal Service. New prices are available under Docket Number CP2024-295 on the Postal Regulatory Commission (PRC) website at <http://www.prc.gov>, and on the Postal Explorer website at <http://pe.usps.com>. The Postal Service will revise *Mailing Standards of the United States Postal Service, Domestic Mail Manual (DMM)*, to reflect changes to certain pricing and mailing standards for the following competitive products: Parcel Select; Recipient Services; Other. Competitive price and product changes are identified by product as follows:

Parcel Select

Prices

The prices for Parcel Select Destination Entry will increase an average of 25.0%. The prices for USPS Connect Local will increase 15.8%.

Recipient Services

Premium Forwarding Service

Premium Forwarding Service Local Expansion

Premium Forwarding Service Local (PFS-Local) is being expanded to have mail that is addressed to a residential/individual and business/organization Post Office Box dispatched to a street address when both addresses are within the same local servicing postal facility or sorting and delivery center (S&DC).

Other

New Network Future State Nomenclature Mapping

Under Phase 1 of the Postal Service network future state, the Postal Service is revising the DMM to provide site mapping nomenclature for facilities (e.g., NDC/RPDC). Phase 1 will not include site mapping in the Quick Service Guides (QSGs) or revisions to destination entry pricing nomenclature or labeling lists. In some cases where there is overlapping of nomenclature in the DMM for market dominant and competitive products (e.g., DMM 204.3.0), the site mapping nomenclature is included in the New Mailing Standards for Domestic Mailing Services Products *Federal Register* notice (89 FR 27330-27353).

Resources

The Postal Service provides additional resources to assist customers with this price change for competitive products. These tools include price lists, downloadable price files, and *Federal Register* Notices, which may be found on the Postal Explorer website at <http://pe.usps.com>.

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

List of Subjects in 39 CFR Part 111

Administrative practice and procedure, Postal Service.

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

PART 111 – [AMENDED]

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

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

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

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

* * * * *

100 Retail Mail Letters, Cards, Flats, and Parcels

* * * * *

110 Retail Mail Priority Mail Express

113 Prices and Eligibility

1.0 Prices and Fees

* * * * *

[Revise the heading of 1.3 to read as follows:]

1.3 Dimensional Weight Price for Low-Density Parcels

* * * * *

USPS FINAL RULE – Domestic Competitive Products Pricing and Mailing Standards Changes

120 Retail Mail Priority Mail

123 Prices and Eligibility

1.0 Prices and Fees

[Revise the heading of 1.3 to read as follows:]

1.3 Dimensional Weight Price for Low-Density Parcels

200 Commercial Letters, Cards, Flats, and Parcels

201 Physical Standards

7.0 Physical Standards for Parcels

7.5 Machinable Parcels

7.5.4 Exception

[Revise the second sentence of 7.5.4 to read as follows:] *** The manager, PCSC, in conjunction with the manager, Operations Integration and Support, may authorize such parcels as machinable if the parcels are tested on NDC/RPDC parcel sorters and prove to be machinable. Mailers requesting testing of parcels for machinability must:

[Revise the text of item b to read as follows:]

b. State the estimated number of parcels to be mailed in the next 12 months, and the anticipated preparation level (e.g., destination NDC/RPDC pallets).

7.6 Irregular Parcel

[Revise the last sentence of 7.6 to read as follows:] *** This processing category also includes parcels that cannot be processed by NDC/RPDC parcel sorters, including rolls and tubes up to 26 inches long; merchandise samples that are not individually addressed and are not letter-size or flat-size; unwrapped, paper-wrapped, or sleeve-wrapped articles that are not letter-size or flat-size; and articles enclosed in envelopes that are not letter-size, flat-size, or machinable parcels.

210 Commercial Mail Priority Mail Express

213 Prices and Eligibility

1.0 Prices and Fees

[Revise the heading of 1.4 to read as follows:]

1.4 Dimensional Weight Price for Low-Density Parcels

220 Commercial Mail Priority Mail

223 Prices and Eligibility

1.0 Prices and Fees

[Revise the heading of 1.4 to read as follows:]

1.4 Dimensional Weight Price for Low-Density Parcels

250 Commercial Mail Parcel Select

253 Prices and Eligibility

1.0 Prices and Fees

[Revise the heading of 1.2 to read as follows:]

1.2 Dimensional Weight Price for Low-Density Parcels

4.0 Price Eligibility for Parcel Select

4.1 Destination Entry Price Eligibility

4.1.1 Definition

[Revise the introductory text of 4.1.1 to read as follows:] Parcel Select destination entry prices apply to Parcel Select mailings prepared as specified in 705.8.0, and 255.4.0, and addressed for delivery within the service area of a destination network distribution center/regional processing and distribution center, sectional center facility/regional processing and distribution center, or delivery unit or sorting and delivery center where they are deposited by the mailer. For this standard, the following destination facility definitions apply:

[Revise the first sentence of item a to read as follows:]

USPS FINAL RULE – Domestic Competitive Products Pricing and Mailing Standards Changes

- a. A destination network distribution center (DNDC)/regional processing and distribution center (DRPDC) includes all network distribution centers (NDCs)/regional processing and distribution centers (RPDCs) and auxiliary service facilities (ASFs)/regional processing and distribution centers (RPDCs) under L601 and L602, and designated sectional center facilities (SCFs)/regional processing and distribution centers (RPDCs) under 256.2.17. * * *

[Revise the first and second sentence of item b to read as follows:]

- b. A destination sectional center facility (DSCF)/regional processing and distribution center (DRPDC) includes all facilities in L051. Mailers may be redirected to deposit DSCF/DRPDC mail at another USPS-designated facility. * * *

* * * * *

[Revise the first sentence of item d to read as follows:]

- d. A destination delivery unit (DDU) or sorting and delivery center (DS&DC) is a facility that delivers to the addresses appearing on the deposited pieces in a destination entry Parcel Select mailing. * * *

* * * * *

4.1.3 DNDC Prices

For DNDC prices, pieces must meet the applicable standards in 3.0 and the following:

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

- a. Pieces must be part of a Parcel Select destination entry mailing that is deposited at a NDC/RPDC or ASF/RPDC under L601 or L602.

* * * * *

[Revise the text of item c to read as follows:]

- c. Except as provided in labeling lists L601 and L602, pieces deposited at each NDC/RPDC or ASF/RPDC must be addressed for delivery within the ZIP Code range of that facility.

[Revise the last sentence of item d to read as follows:]

- d. * * * Mail meeting the additional criteria in 256.2.17 or 256.2.18 may be deposited at an SCF/RPDC.

[Revise the text of item e to read as follows:]

- e. Except for machinable parcels addressed to ZIP Codes served by the Buffalo NY ASF, mail addressed to ZIP Codes served by an ASF/RPDC must be entered at the appropriate ASF/RPDC per L602, and not entered at an NDC/RPDC.

4.1.4 DSCF, DHub, and DDU Prices

For DSCF, DHub, and DDU prices, pieces must meet the applicable standards in 3.0 and the following criteria:

[Revise the first sentence of item a to read as follows:]

- a. For DSCF prices, be part of a Parcel Select destination entry mailing of parcels deposited at an SCF/RPDC in L051 or a USPS-designated facility. * * *

* * * * *

[Revise the first and last sentences of item c to read as follows:]

- b. For DDU prices, be part of a Parcel Select mailing deposited at a designated DDU or DS&DC facility that delivers parcels to the addresses appearing on the pieces. * * * * * If a mailer transports mail to a DDU or DS&DC facility that cannot handle the pallets, the driver must unload the pallets into containers as specified by the delivery unit or S&DC.

* * * * *

254 Postage Payment and Documentation

1.0 Basic Standards for Postage Payment

1.1 Postage Payment Options

1.1.1 Parcel Select Destination Entry

Parcel Select destination entry may be paid as follows:

* * * * *

[Revise the first sentence of item c to read as follows:]

- c. Except for plant-verified drop shipments (see 705.17.0), Electronic Verification System (eVS) shipments (see 705.2.9), and metered mail drop shipments (see 705.19.0), the mailer must have a meter license or permit imprint authorization at the destination facility parent Post Office for mailings deposited for entry at a DNDC/DRPDC or ASF/RPDC, at a DSCF/DRPDC, or at the parent Post Office of a DDU or DS&DC. * * *

* * * * *

[Revise the heading and text of 1.2 to read as follows:]

1.2 NDC/RPDC as Agent

The DNDC/DRPDC may verify and accept mail if authorized by PS Form 4410, *Authorization for NDC Acceptance*, to act as an agent for the parent Post Office where the mailer's account, or license is held (see Exhibit 1.2).

[Revise the heading of Exhibit 1.2 to read as follows:]

Exhibit 1.2 NDC/ASF/RPDC Parent Post Office

* * * * *

255 Mail Preparation

1.0 General Information for Mail Preparation

* * * * *

1.4 Terms for Presort Level

Terms used for presort levels are defined as follows:

* * * * *

USPS FINAL RULE – Domestic Competitive Products Pricing and Mailing Standards Changes

[Revise the text of items c and d to read as follows:]

- c. SCF/RPDC: the separation includes pieces for two or more 3-digit areas served by the same sectional center facility (SCF)/regional processing and distribution center (RPDC) (see L051).
- d. ASF/NDC/RPDC: all pieces are addressed for delivery in the service area of the same auxiliary service facility (ASF) or network distribution center (NDC)/regional processing and distribution center (RPDC) (see L601, L602, or L605).

1.5 Preparation Definitions and Instructions

For purposes of preparing mail:

[Revise the text of item f to read as follows:]

- f. Entry [facility] (or origin [facility]) refers to the USPS mail processing facility (e.g., “entry NDC/RPDC”) that serves the Post Office at which the mail is entered by the mailer. If the Post Office where the mail is entered is not the one serving the mailer’s location (e.g., for plant-verified drop shipment), the Post Office of entry determines the entry facility. Entry SCF/RPDC includes both single-3-digit and multi-3-digit SCFs. Entry NDC/RPDC includes subordinate ASFs unless otherwise specified.

[Revise the first sentence of item g to read as follows:]

- g. An overflow sack for Parcel Select DSCF/DRPDC mail is a 5-digit scheme or 5-digit sack prepared with fewer than seven pieces after all other sacks for that same 5-digit scheme or 5-digit ZIP Code area are prepared with seven or more pieces per sack as required by 4.2. ***

[Revise the text of item h to read as follows:]

- h. An overflow pallet in a Parcel Select DSCF/DRPDC mailing is a 5-digit scheme or 5-digit pallet containing pieces that remain after one or more 5-digit scheme or 5-digit pallets have been prepared to meet the minimum pallet requirement specified in 705.8.0. Only one overflow pallet per 5-digit scheme or 5-digit ZIP Code area is permitted for Parcel Select DSCF/DRPDC mail palletized under 705.8.0. Pieces on overflow pallets qualify for the DNDC rates.

4.0 Preparing Destination Entry Parcel Select

[Revise the heading of 4.1 to read as follows:]

4.1 Preparing Destination Delivery Unit (DDU) or Sorting and Delivery Center (S&DC) Parcel Select

4.1.1 Definition

[Revise the first sentence of 4.1.1 to read as follows:] A destination delivery unit (DDU) or sorting and delivery center (DS&DC) is a facility that delivers to the addresses appearing on the deposited pieces in a destination entry Parcel Select mailing. ***

4.1.2 Basic Standards

Pieces must meet the applicable standards in 4.0 and the following criteria:

[Revise the last sentence of item c to read as follows:]

- c. *** Refer to the Drop Shipment Product available at the USPS FAST website: <https://fast.usps.com> to determine the location of the delivery unit or S&DC, whether it serves more than one 5-digit ZIP Code, and whether it can handle pallets.

4.1.3 Sacking and Labeling

[Revise the second sentence in the first paragraph of 4.1.3 to read as follows:] *** DDU or DS&DC pieces may be bedloaded, sacked, placed directly on pallets, or placed in pallet boxes on pallets. ***

[Revise the heading of 4.3 to read as follows:]

4.3 Preparing Destination SCF (DSCF)/Regional Processing and Distribution Center (DRPDC) Parcel Select

4.3.1 Definition

[Revise the text of 4.3.1 to read as follows:] A destination sectional center facility (DSCF)/regional processing and distribution center (DRPDC) includes all facilities in L051. Mailers may be redirected to deposit DSCF/DRPDC mail at another USPS-designated facility.

4.3.3 Sacking and Labeling

[Revise the introductory text of 4.3.3 to read as follows:] Sacking requirements for DSCF/DRPDC entry:

[Revise the heading of 4.4 to read as follows:]

4.4 Preparing Destination NDC (DNDC)/RPDC (DRPDC) Parcel Select

4.4.1 Definition

[Revise the text of 4.4.1 to read as follows:] A destination network distribution center (DNDC)/regional processing and distribution center (DRPDC) includes all network distribution centers (NDCs)/regional processing and distribution centers (RPDCs) and auxiliary service facilities (ASFs)/regional processing and distribution centers (RPDCs) under L601 and L602, and designated sectional center facilities (SCFs)/regional processing and distribution center (RPDC) under 256.2.17.

4.4.2 Basic Standards

Pieces must meet the applicable standards in 4.0 and the following criteria:

[Revise the text of items b and c to read as follows:]

- b. Pieces must be part of a Parcel Select mailing that is deposited at a NDC/RPDC or ASF/RPDC under L601 or L602.

USPS FINAL RULE – Domestic Competitive Products Pricing and Mailing Standards Changes

- c. Except as provided in L601 and L602, pieces deposited at each NDC/RPDC or ASF/RPDC must be addressed for delivery within the ZIP Code range of that facility.

[Revise the last sentence of item d to read as follows:]

- d. * * * Mail meeting the additional criteria in 256.2.16 or 256.2.17 may be deposited at an SCF/RPDC.
* * * *

4.4.3 Sacking and Labeling

DNDC mailing (if not bedloaded), must be prepared as follows:

[Revise the text of items a and b to read as follows:]

- a. DNDC/DRPDC machinable parcels must be sacked under 5.0 or prepared on pallets under 705.8.0.
b. DNDC/DRPDC nonmachinable parcels that each weigh 25 pounds or less must be sacked under 5.0, if the parcels do not contain perishables and the size of the parcels allows a sack to hold at least two pieces. DNDC/DRPDC nonmachinable parcels that cannot be sacked in this manner or that weigh more than 25 pounds must be transported as outside (unsacked) pieces. If authorized in advance by the USPS, DNDC/DRPDC nonmachinable parcels may be palletized.

5.0 Preparing Machinable Parcels

* * * *

5.3.2 Sack Preparation

Sack size, preparation sequence, and Line 1 labeling:

* * * *

[Revise the text of items c, d, and e, to read as follows:]

- c. SCF/RPDC: optional (minimum of 10 pieces or 20 pounds); for Line 1, use L051.
d. ASF/RPDC: optional; allowed only for mail deposited at an ASF to claim the DNDC price (minimum of 10 pieces or 20 pounds); for Line 1, use L602, Column B.
e. NDC/RPDC: required (minimum of 10 pieces or 20 pounds); for Line 1, use L601, Column B.

* * * *

256 Enter and Deposit

1.0 Verification

* * * *

[Revise the heading and text of 1.4 to read as follows:]

1.4 NDC/RPDC Acceptance

A mailer may present Parcel Select at a NDC/RPDC for acceptance if:

- a. Metered postage is paid through a postage meter licensed at the NDC/RPDC parent Post Office, or permit imprint postage is paid through an advance deposit account at the NDC/RPDC parent Post Office or another Post Office in the NDC/RPDC service area, unless otherwise permitted by standard.
b. The NDC/RPDC is authorized by Form 4410, *Authorization for NDC Acceptance*, to act as acceptance agent for the entry Post Office.

* * * *

2.0 Deposit

2.1 Bedloaded Parcels

[Revise the text of 2.1 to read as follows:] A mailer may present bedloaded DNDC/DRPDC parcels if the mailer's vehicle has a road-to-bed height of 50 (±2) inches. If applicable, the mail to be entered at different destinations must be separated to prevent mixing of mailings for deposit at different destinations. DNDC/DRPDC mailings may be bedloaded for deposit at NDCs/ASFs/RPDCs and DDU or DS&DC mailings may be bedloaded for deposit at DDUs or DS&DCs. Refer to the Drop Shipment Product available at the USPS FAST website: <https://fast.usps.com> to determine dock requirements for a DDU or DS&DC facility.

2.2 Containers

[Revise the introductory text of 2.2 to read as follows:] DNDC/DRPDC mailings (if not bedloaded), DDU or DS&DC mailings (if not bedloaded), and all DHub, and DSCF/DRPDC mailings must be prepared as follows:

* * * *

[Revise the second and last sentence of item b to read as follows:]

- b. * * * DNDC/DRPDC nonmachinable parcels that cannot be sacked in this manner or that weigh more than 25 pounds must be transported as outside (unsacked) pieces. If authorized in advance by the USPS, DNDC/DRPDC nonmachinable parcels may be palletized.

[Revise the first and second sentence of item c to read as follows:]

- c. For DSCF/DRPDC, if sacked under 255.4.0, must contain at least seven pieces per sack. If the sack is overflow from a 5-digit scheme, 5-digit, or 3-digit sack that contains at least seven pieces, then a sack may contain fewer than seven pieces. For DSCF/DRPDC, if sacked under 705.8.0 as overflow from a 5-digit scheme, 5-digit, or 3-digit pallet that meets the applicable pallet minimum, may contain any number of pieces. * * *

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

- d. For DSCF/DRPDC, 5-digit scheme, 5-digit, SCF/RPDC, and 3-digit sacks may be bedloaded or be placed on SCF/RPDC pallets that are labeled and otherwise prepared under 705.8.0.

[Revise the first sentence of item e to read as follows:]

- e. For DSCF/DRPDC and DDU or DS&DC, nonmachinable parcels may be palletized (including pallet boxes on pallets). * * *

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[Revise the first and second sentence of item f to read as follows:]

- f. For DDU or DS&DC, there are no minimums for sacks, pallets, or pallet boxes on pallets. DDU or DS&DC mail must be separated by 5-digit scheme and 5-digit (even if bedloaded) and, if placed in sacks or on pallets (including boxes on pallets), it must be properly labeled to the 5-digit scheme or 5-digit destination. * * *

* * * * *

2.5 Mail Separation and Presentation of Destination Entry Mailings

* * * Mailers presenting destination entry mailings to the Postal Service must meet the following requirements:

[Revise the first sentence of item a to read as follows:]

- a. Mark each DNDC/DRPDC, DSCF/DRPDC, DHub, or DDU or DS&DC Parcel Select piece as “Parcel Select,” according to 202.3.7.2. * * *

* * * * *

[Revise the heading and text of 2.6 to read as follows:]

2.6 NDC/RPDC as Agent

The DNDC/DRPDC may verify and accept mail if authorized by Form 4410 to act as agent for the parent Post Office where the mailer’s account or license is held.

2.7 Appointments

Appointments must be made for destination entry mail as follows:

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

- a. Except as provided under 2.7b or for a local mailer and mailings of perishable commodities (601.8.0) under 2.8, appointments for deposit of destination entry mail at NDCs/RPDCs, ASFs/RPDCs, and SCFs/RPDCs must be scheduled through the appropriate drop-shipment appointment control center at least one business day in advance. Same-day appointments may be granted by a drop-shipment control center based on a telephone request. Appointments may be made up to thirty (30) calendar days before the desired appointment date. Mailers must comply with the scheduled mail deposit time and location. To cancel an appointment, the mailer must notify the appropriate drop-shipment control center at least one day before the scheduled appointment time. Except for local mailers, for mailings of perishable commodities (601.8.0) under 2.8, appointments for deposit of destination entry mail at NDCs/RPDCs, ASFs/RPDCs, and SCFs/RPDCs must be scheduled through the appropriate appointment control center at least one day in advance. Same day appointments may be granted by a control center on the basis of a telephone request. All appointments for NDC/RPDC loads must be scheduled by the appropriate NDC/RPDC control center. Appointments for SCFs/RPDCs and ASFs/RPDCs must be scheduled through the appropriate district control center. Appointments may be made up to thirty (30) calendar days prior to a desired appointment date. Mailers must comply with the scheduled mail deposit time and location. The mailer must cancel any appointment by notifying the appropriate control center at least a day in advance of a scheduled appointment time.

* * * * *

[Revise the first sentence of item c to read as follows:]

- c. For deposit of DDU or DS&DC and DHUB mailings, an appointment must be made by contacting the DDU or DS&DC, or through FAST, available at fast.usps.com, at least 24 hours in advance. * * *

2.8 Exception to Scheduling Standard

Exceptions are as follows:

[Revise the last sentence of item a to read as follows:]

- a. * * * Under this exception, the mailer may claim the DNDC prices for mailings or portions of such mailings deposited at the local Post Office if the local Post Office is the DNDC/ASF/DRPDC or designated SCF/RPDC that meets the application standards.

* * * * *

2.9 Redirection by USPS

[Revise the text of 2.9 to read as follows:] A mailer may be directed to transport destination entry mailings to a facility other than the designated DDU or DS&DC, SCF/RPDC, or NDC/RPDC due to facility restrictions, building expansions, peak season mail volumes, or emergency constraints.

2.10 Advance Scheduling

* * * When making an appointment, or as soon as available, the mailer must provide the following information:

* * * * *

[Revise the last sentence of item b to read as follows:]

- b. * * * For DDU or DS&DC entries, the mailer also must provide the 5-digit ZIP Code(s) of the mail being deposited.

* * * * *

2.11 Deposit Conditions

Deposit of mail also is subject to these conditions:

[Revise the first sentence of item a to read as follows:]

- a. Destination facilities may refuse mailings that are unscheduled or late (i.e., if vehicles arrive more than 2 hours after the scheduled appointment at ASFs/RPDCs, NDCs/RPDCs, SCFs/RPDCs, or DHubs, and more than 20 minutes late at delivery units). * * *

[Revise the text of item b to read as follows:]

- b. The NDC/RPDC may approve drop and pick procedures only for Parcel Select mailers. The NDC/RPDC specifies the time limit for vehicle retrieval.

* * * * *

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2.13 Vehicle Unloading

Unloading of destination entry mailings is subject to these conditions:

[Revise the first sentence in the text of item a to read as follows:]

- a. Properly prepared containerized loads (e.g., pallets) are unloaded by the USPS at NDCs/RPDCs, ASFs/RPDCs, SCFs/RPDCs, and Hubs. * * *

[Revise the first sentence in the text of item b to read as follows:]

- b. The driver must unload bedloaded shipments within 8 hours of arrival at NDCs/RPDCs, ASFs/RPDCs, SCFs/RPDCs, and Hubs. * * *

[Revise the first sentence in the introductory text of item c to read as follows:]

- c. At destination delivery units (DDUs) or sorting and delivery centers (DS&DCs), drivers must unload all mail, whether bedloaded, sacked, or palletized (including boxes on pallets), within 1 hour of arrival. * * *

* * * * *

[Revise the heading and introductory text of 2.17 to read as follows:]

2.17 DNDCRPDC Parcel Select--Acceptance at Designated SCF/RPDC-USPS Benefit

A mailing that is otherwise eligible for DNDC prices may be deposited, and accepted, at an SCF/RPDC designated by the USPS when it benefits the USPS and:

* * * * *

[Revise the text of items b and c to read as follows:]

- b. All DNDC/DRPDC parcels are for delivery within the service area of the SCF/RPDC at which they are deposited by the mailer.

- c. Postage on all parcels deposited at the SCF/RPDC is computed using the zone chart for that postal facility.

* * * * *

[Revise the text of item e to read as follows:]

- e. The mailer is directed to deposit the mailing at that SCF/RPDC by the district control center in whose area is located the NDC/RPDC or ASF/RPDC where the DNDC/DRPDC parcels would otherwise be deposited.

[Revise the heading and introductory text of 2.18 to read as follows:]

2.18 DNDC/DRPDC Parcel Select--Acceptance at Designated SCF/RPDC

Mailers may deposit parcels otherwise eligible for the DNDC prices at an SCF/RPDC designated by the USPS for destination ZIP Codes listed in labeling list L607. The following standards apply:

* * * * *

[Revise the text of items c through e to read as follows:]

- c. Mailers must prepare parcels on 3-digit pallets or in 3-digit pallet boxes, or unload and physically separate the parcels into containers specified by the destination facility. Parcels are eligible for the applicable DNDC/DRPDC entry.

- d. All DNDC/DRPDC parcels must be for delivery within the service area of the SCF/RPDC where they are deposited by the mailer.

- e. Postage on all parcels deposited at the SCF/RPDC is computed using the zone chart for that postal facility.

* * * * *

280 Commercial Mail USPS Ground Advantage--Commercial

283 Prices and Eligibility

1.0 Prices and Fees

* * * * *

[Revise the heading of 1.4 to read as follows:]

1.4 Dimensional Weight Price for Low-Density Parcels

* * * * *

500 Additional Mailing Services

* * * * *

508 Recipient Services

* * * * *

7.0 Premium Forwarding Services

* * * * *

7.4 Premium Forwarding Service Local

7.4.1 Description

[Revise the first sentence of 7.4.1 to read as follows:] Premium Forwarding Service Local (PFS-Local) provides residential/individual and business/organization Post Office Box holders the option to have the USPS gather their mail addressed to their PO Box (excludes no-fee Group E PO Boxes) and dispatch the mail to their delivery street address when both addresses are within the same local servicing postal facility or sorting and delivery center (S&DC). * * *

* * * * *

700 Special Standards

* * * * *

705 Advanced Preparation and Special Postage Payment Systems

* * * * *

6.0 Combining Mailings of USPS Marketing Mail, Package Services, and Parcel Select Parcels

* * * * *

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[Revise the heading of 6.2 to read as follows:]

6.2 Combining Parcels--DNDC/RPDC Entry

6.2.1 General

[Revise the text of 6.2.1 to read as follows:] Mailers may combine USPS Marketing Mail machinable parcels, and USPS Marketing Mail Marketing parcels weighing 6 or more ounces, with Package Services and Parcel Select machinable parcels for entry at a NDC/RPDC when authorized by USPS under 6.1.4.

6.2.2 Eligible Prices

[Revise the first sentence of 6.2.2 to read as follows:] Combined parcels may be eligible for USPS Marketing Mail, Parcel Select DNDC/ASF/DRPDC, single-piece and Presorted Media Mail, single-piece and Presorted Library Mail, Bound Printed Matter DNDC/DRPDC, and Nonpresorted and Presorted Bound Printed Matter prices. * * *

6.2.3 Additional Standards

[Revise the introductory text of 6.2.3 to read as follows:] USPS Marketing Mail machinable parcels, USPS Marketing Mail Marketing parcels (6 ounces or more), and Package Services and Parcel Select machinable parcels prepared for DNDC/DRPDC entry must meet the following conditions in addition to the basic standards in 6.1:

* * * * *

[Revise the text of item e to read as follows:]

- e. Mailers must deposit combined machinable parcels at NDCs/RPDCs or ASFs/RPDCs (see Labeling Lists L601 and L602) under applicable standards in 17.0.

6.2.4 Sacking and Labeling

Preparation sequence, sack size, and labeling:

* * * * *

[Revise the introductory text of item c to read as follows:]

- c. ASF/RPDC, optional, allowed only for mail deposited at an ASF/RPDC to claim DNDC price, 10-piece or 20-pound minimum; labeling:

* * * * *

[Revise the introductory text of item d to read as follows:]

- d. NDC/RPDC, required, 10-piece or 20-pound minimum; labeling:

* * * * *

[Revise the introductory text and line 1 of item e to read as follows:]

- e. Mixed NDC/RPDC, required, no minimum; labeling:

1. Line 1: "MXD" followed by L601 Column B information for NDC/RPDC serving 3-digit ZIP Code prefix of entry Post Office.

* * * * *

[Revise the heading of 6.4 to read as follows:]

6.4 Combining Package Services, Parcel Select, and USPS Marketing Mail--Optional 3-Digit SCF/RPDC Entry

[Revise the heading and text of 6.4.1 to read as follows:]

6.4.1 Entry at Designated SCFs/RPDCs

Mailers may deposit pieces otherwise eligible for Package Services, Parcel Select, and USPS Marketing Mail prices and the USPS Marketing Mail DSCF price at an SCF/RPDC that USPS designates for destination ZIP Codes listed in labeling list L607.

6.4.2 Qualification and Preparation

[Revise the introductory text of 6.4.2 to read as follows:] Parcel Select and Bound Printed Matter machinable parcels, and USPS Marketing Mail parcels may be prepared for entry at designated SCFs/RPDCs under these standards:

* * * * *

[Revise the first sentence of item d to read as follows:]

- d. USPS Marketing Mail machinable parcels and USPS Marketing Mail Marketing parcels weighing 6 ounces or more are eligible for the NDC/RPDC presort-level DNDC price. * * *

[Revise the text of items e and f to read as follows:]

- e. All pieces must be for delivery within the service area of the SCF/RPDC where they are deposited by the mailer.
f. Postage on all zone-priced parcels deposited at the SCF/RPDC is computed using the zone chart for that postal facility.

7.0 Combining Package Services and Parcel Select Parcels for Destination Entry

[Revise the heading of 7.1 to read as follows:]

7.1 Combining Parcels--DSCF/DRPDC and DDU or DS&DC Entry

7.1.1 Qualification

[Revise the first sentence of 7.1.1 to read as follows:] Mailers may combine Package Services and Parcel Select parcels in 5-digit scheme and 5-digit sacks or on 5-digit scheme and 5-digit pallets for entry either at a destination sectional center facility (DSCF)/regional processing and distribution center (DRPDC) or a destination delivery unit (DDU) or sorting and delivery center (DS&DC) when authorized by the USPS under 7.5. * * *

7.1.2 Basic Standards

Package Services and Parcel Select parcels that qualify as machinable, nonmachinable, and irregular under 201 and meet the following conditions may be combined in 5-digit scheme and 5-digit sacks or 5-digit scheme and 5-digit pallets under these conditions:

* * * * *

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[Revise the last sentence of item c to read as follows:]

- c. * * * If a DDU or DS&DC facility cannot handle pallets, and a mailer transports mail to the DDU or DS&DC facility on pallets, the driver will have to unload the pallets into a container specified by the delivery unit.

* * * * *

[Revise the text of item f to read as follows:]

- f. The deposit of combined Package Services and Parcel Select at a DSCF/DRPDC or DDU or DS&DC must be in accordance with applicable drop shipment standards.

* * * * *

7.1.6 Combined Parcels Prepared on Pallets--Price Eligibility

In addition to the applicable standards in 255.4.0, and 266.3.0 through 266.6.0 for destination entry parcels, the following standards apply for combined parcels prepared on pallets:

[Revise the text of items a and b to read as follows:]

- a. Parcel Select DSCF prices apply to pieces that are prepared on 5-digit scheme and 5-digit pallets, each containing at least 50 pieces and 250 pounds or 36 inches of Parcel Select and Package Services mail, or contained in overflow sacks under 7.1.8, and deposited at a DSCF/DRPDC under 255.4.0. Parcel Select DDU prices apply to pieces that are prepared on 5-digit scheme and 5-digit pallets, each containing at least 50 pieces and 250 pounds or 36 inches of Parcel Select and Package Services mail, or contained in overflow sacks under 7.1.8, and deposited at a DDU or DS&DC under 255.4.0.
- b. Presorted Bound Printed Matter DSCF prices apply to pieces that are prepared on 5-digit scheme and 5-digit pallets, each containing at least 50 pieces and 250 pounds or at least 36 inches of Parcel Select and Package Services mail, or contained in overflow sacks under 7.1.8, and deposited at a DSCF/DRPDC under 266.3.0 through 266.6.0. Presorted Bound Printed Matter DDU prices apply to pieces that are prepared on 5-digit scheme and 5-digit pallets, each containing at least 50 pieces and 250 pounds or at least 36 inches of Parcel Select and Package Services mail, or contained in overflow sacks under 7.1.8, and deposited at a DDU or DS&DC under 266.3.0 through 266.6.0.

* * * * *

[Revise the heading of 7.2 to read as follows:]

7.2 Combining Parcel Select and Package Services Machinable Parcels for DNDC/DRPDC Entry

7.2.1 Qualification

[Revise the first sentence of 7.2.1 to read as follows:] Mailers may combine Parcel Select and Package Services machinable parcels for entry at a NDC/RPDC when authorized by the USPS under 7.5. * * *

7.2.2 Basic Standards

Parcel Select and Package Services parcels must meet the following conditions:

* * * * *

[Revise the text of item i to read as follows:]

- i. Mailers must deposit combined machinable parcels at NDCs/RPDCs under applicable standards in 17.0.

* * * * *

8.0 Preparing Pallets

* * * * *

8.4 Pallet Boxes

* * * * *

8.4.2 Height

[Revise the last sentence of 8.4.2 to read as follows:] * * * For all Parcel Select and Package Services mailings entered at a DSCF/DRPDC or DDU or DS&DC, the height of the pallet box may not exceed 60 inches (excluding the pallet).

* * * * *

8.5 General Preparation

8.5.1 Presort

[Revise the fourth and fifth sentences and the seventh sentence to read as follows:] * * * For sacks, trays, or machinable parcels on pallets, the mailer must prepare all required pallet levels before any mixed ADC/RPDC or mixed NDC/RPDC pallets are prepared for a mailing or job. Except as described in 15.1.3f, bundles must not be placed on mixed ADC/RPDC or mixed NDC/RPDC pallets. * * * * * The standards for bundle reallocation to protect the SCF/LPC (letters, flats)/RPDC (parcels), ADC/RPDC, or NDC/RPDC pallet (8.11, 8.13, and 8.14) are optional methods of pallet preparation designed to retain as much mail as possible at the SCF/LPC (letters, flats)/RPDC (parcels), ADC/RPDC, or NDC/RPDC level. * * *

8.5.2 Required Preparation

The following standards apply to Periodicals, USPS Marketing Mail, Parcel Select, and Package Services, except Parcel Select mailed at DSCF and DDU prices:

* * * * *

[Revise the text of items b and c to read as follows:]

- b. For bundles of flat-size mailpieces or bundles of irregular parcels on pallets, after preparing all possible pallets under 8.5.2a, when 250 or more pounds of bundles remain for an ADC/RPDC (Periodicals) or for a NDC/ASF/RPDC (USPS Marketing Mail, Parcel Select, and Package Services), mailers must prepare the ADC/RPDC or NDC/ASF/RPDC pallet, as applicable for the class of mail. Exception: If there are no ADC/RPDC or NDC/ASF/RPDC pallets in a mailing and 250 or more pounds remain for an SCF/LPC (letters, flats)/RPDC (parcels), mailers must prepare the SCF/LPC (letters, flats)/RPDC (parcels) pallet.

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- c. Bundles that cannot be placed on an ADC/RPDC, NDC/ASF/RPDC, or SCF/LPC (letters, flats)/RPDC (parcels) pallet may be placed on mixed ADC/RPDC pallets if allowed by the specific standards for the class and shape of mail, or be placed in sacks or flat trays (when applicable) (see 8.9.1).

8.5.3 Minimum Load

The following minimum load standards apply to mail prepared on pallets:

- a. For Periodicals, USPS Marketing Mail, Parcel Select, and Package Services (except for Parcel Select mailed at DSCF and DDU prices):

[Revise the text of items a2 through a6 to read as follows:]

2. There is no minimum load for pallets entered at a destination delivery unit (DDU) or sorting and delivery center (DS&DC) if the mail on those pallets is for that unit's service area.
3. The minimum load for pallets is 200 pounds of USPS Marketing Mail parcels (machinable or irregulars) entered at origin (NDC/RPDC only) or at a DNDC/DRPDC to claim the 5-digit or NDC price.
4. A pallet may contain a minimum of 100 pounds of nonletter-size mail or 12 linear feet of letter trays if it is a NDC/RPDC or ASF/RPDC pallet entered at the destination NDC/RPDC or ASF/RPDC; an ADC/RPDC pallet entered at the destination ADC/RPDC; an SCF/LPC (letters, flats)/RPDC (parcels) pallet entered at the destination SCF/LPC (letters, flats)/RPDC (parcels); or the only pallet entered at an individual destination NDC/RPDC or ASF/RPDC, ADC/RPDC, or SCF/LPC (letters, flats)/RPDC (parcels) facility.
5. At an SCF/LPC (letters, flats)/RPDC (parcels), a 5-digit, 3-digit, or SCF/LPC (letters, flats)/RPDC (parcels) pallet may contain less than the required minimum load of mail for that SCF's/LPC's (letters, flats)/RPDC's (parcels) service area only if the SCF/LPC (letters, flats)/RPDC (parcels) manager provides written authorization for such preparation.
6. There is no minimum load for MNDC/RPDC pallets of bundles or flat trays of USPS Marketing Mail flats.

[Revise the third sentence of item b to read as follows:]

- b. Parcel Select mailed at DSCF and DDU prices. *** There is no minimum weight requirement for an SCF/RPDC pallet containing 5-digit scheme, 5-digit or SCF/RPDC sacks prepared for the DSCF price. ***

8.5.12 Nonpalletized Mail

The following applies:

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

- a. Mail that is not palletized (e.g., the mailer chooses not to prepare NDC/RPDC pallets or the bundles do not meet the machinability standards in 8.5.7 through 8.5.11) must be prepared under the standards for the price claimed.

- e. Sack preparation is allowed only for the following:

[Revise the text of items e4 through e7 to read as follows:]

4. Nonpalletized residual 5-digit flats entered at a DDU or DS&DC along with carrier route flats;
5. Nonpalletized carrier route flats entered at the DSCF/DLPC (origin);
6. Nonpalletized 5-digit flats entered at the DSCF/DLPC (origin); and
7. Nonpalletized 3-digit/SCF/LPC flats entered at the DSCF/DLPC (origin).

[Revise the text of item f to read as follows:]

- f. DSCF/DLPC (origin) 5-digit and 3-digit/SCF/LPC sacks must be entered at the BMEU and emptied into a designated container.

8.6 Pallet Labels

8.6.4 Line 1 (Destination Line)

Line 1 (destination line) must meet these standards:

[Revise the first sentence of item b to read as follows:]

- b. Information. Line 1 must contain only the information specified by standard, including the appropriate destination facility prefix (e.g., "ADC/RPDC"). ***

8.6.10 Pallet Bundle Information

[Revise the text of 8.6.10 to read as follows:] It is recommended that mailers preparing bundles on pallets add to the pallet label, below the office of mailing or mailer information line and according to the provisions of 8.6.8, additional information listing the number of bundles for each bundle sortation and price level on the pallet (i.e., the number of carrier route bundles, the number of 5-digit, 3-digit, and ADC/RPDC automation price bundles, and the number of 5-digit, 3-digit, and ADC/RPDC Presorted price bundles on each pallet).

8.9 Bundles on Pallets

8.9.3 Periodicals

Bundle size: Six-piece minimum (lower volume bundles permitted under 207.22.0, and 207.23.0), 20-pound maximum, except that:

[Revise the text of item c to read as follows:]

- c. Carrier route and 5-digit bundles placed on 5-digit or finer pallets may weigh up to 40 pounds when entered at a DDU or DS&DC.

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8.10 Pallet Presort and Labeling

8.10.1 First-Class Mail--Letter or Flats Trays

*** Preparation, sequence, and labeling:

[Revise the introductory text of item b to read as follows:]

b. Origin SCF/LPC (local mail). Required; no minimum. Pallets contain trays destined for the 3-digit ZIP Codes serviced by the origin SCF/LPC facility in L005; all MXD AADC and MXD ADC/RPDC trays. Mailers may place AADC or ADC/RPDC trays on origin SCF/LPC pallets when the tray's "label to" 3-digit ZIP Code (from L801 for AADC trays and L004 for ADC/RPDC trays) is within the origin SCF's/LPCs service area; and must place trays containing pieces paid at the single-piece price on origin SCF/LPC pallets, unless required to be presented separately by special postage payment authorization or customer service agreement (CSA). Labeling:

[Revise the introductory text of item c to read as follows:]

c. SCF/LPC. Required. For destinations listed in L201, based on origin ZIP Code. Pallets contain trays destined for the 3-digit ZIP Codes in L005. Mailers may, at their option, place AADC or ADC/RPDC trays on SCF/LPC pallets when the tray's "label to" 3-digit ZIP Code (from L801 for AADC trays and L004 for ADC/RPDC trays) is within that SCF's/LPCs service area. Labeling:

[Revise the first sentence in the introductory text of item e to read as follows:]

e. ADC/RPDC. Required, for flats and nonmachinable letters only. For destinations listed in L201, based on origin ZIP Code. ***

[Revise the first sentence in the introductory text of item f to read as follows:]

f. Origin Mixed ADC/RPDC Surface. ***

[Revise the introductory text of item g to read as follows:]

g. Mixed ADC/RPDC Air (all other). Required; no minimum. May contain surface trays when no mixed ADC/RPDC surface container is prepared under 8.10.1f. Labeling:

8.10.2 Periodicals--Bundles, Sacks, Letter or Flat Trays

Prepare pallets in the following sequence:

[Revise the introductory text of item h to read as follows:]

h. SCF/LPC (letters, flats)/RPDC (parcels), required, permitted for bundles, trays, and sacks (irregular parcels only). The pallet may contain carrier route, automation price, and/or Presorted price mail for the 3-digit ZIP Code groups in L005. Mailers may place origin mixed ADC/RPDC (OMX) sacks (irregular parcels only) or flat trays on origin SCF/LPC (letters, flats)/RPDC (parcels) pallets. Labeling:

[Revise the introductory text of item i to read as follows:]

i. ADC/RPDC, required, permitted for bundles, trays, and sacks (irregular parcels only).

[Revise the first sentence in the introductory text of item j to read as follows:]

j. Origin Mixed ADC/RPDC (OMX), optional for sacks and trays; allowed with no minimum and required at 100 pounds of mail for bundles of flats.

[Revise the introductory text of item k to read as follows:]

k. Mixed ADC/RPDC, optional for sacks and trays; allowed with no minimum and required at 100 pounds of mail for bundles of flats. Bundles of flats totaling less than 100 pounds in weight must be trayed if not palletized. The pallet may contain carrier route, automation price, or presorted price mail. Pallets must not contain sacks, trays or bundles that should be properly placed on the origin mixed ADC/RPDC (OMX) pallet. Labeling:

8.10.3 USPS Marketing Mail--Bundles, Sacks, or Trays

[Revise the second sentence in the introductory text of 8.10.3 to read as follows:] *** For USPS Marketing Mail High Density and High Density Plus flats price eligibility, only 5-digit pallets under 8.10.3a through 8.10.3c are allowed, and the pallets must be entered under None, DNDC/DRPDC, DSCF/DLPC, or DDU or DS&DC standards. ***

[Revise the introductory text of item e to read as follows:]

e. SCF/LPC (letters, flats)/RPDC (parcels), required, permitted for bundles, trays, and sacks (irregular parcels only). The pallet may contain carrier route, automation price, and/or presorted price mail for the 3-digit ZIP Code groups in L005. Mailers may, at their option, place AADC trays on SCF/LPC (letters, flats)/RPDC (parcels) pallets when the tray's "label to" 3-digit ZIP Code (from L801) is within that SCF's/LPCs (letters, flats)/RPDCs (parcels) service area. Mailers may also, at their option, place mixed ADC/RPDC or mixed AADC trays, labeled per L010, on an SCF/LPC pallet entered at the SCF/LPC facility responsible for processing mixed ADC/RPDC or mixed AADC trays for that NDC/ASF/RPDC facility. Labeling:

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[Revise the introductory text of item f to read as follows:]

f. ASF/RPDC, required unless bundle reallocation is used under 8.13, permitted for bundles, trays, and sacks (irregular parcels only). The pallet may contain carrier route, automation price, and/or Presorted price mail for the 3-digit ZIP Code groups in L602. ADC/RPDC bundles, sacks, or trays are assigned to pallets according to the “label to” ZIP Code in L004 as appropriate. AADC trays are assigned to pallets according to the “label to” ZIP Code in L801. At the mailer’s option, appropriate mixed ADC/RPDC bundles and trays of flats – and mixed ADC/RPDC and mixed AADC trays of letters – may be sorted to ASF/RPDC pallets according to the “label to” ZIP Code in L010. All mixed ADC/RPDC bundles, sacks, and trays and mixed AADC trays must contain only pieces destinating within the ASF/RPDC as shown in L602. Labeling:

[Revise the introductory text of item g to read as follows:]

g. NDC/RPDC, required, permitted for bundles, trays, and sacks (irregular parcels only). The pallet may contain carrier route, automation price, and/or Presorted price mail for the 3-digit ZIP Code groups in L601. ADC/RPDC bundles, sacks, or trays are assigned to pallets according to the “label to” ZIP Code in L004 as appropriate. AADC trays are assigned to pallets according to the “label to” ZIP Code in L801. At the mailer’s option, appropriate mixed ADC/RPDC bundles and trays of flats, and mixed ADC/RPDC trays and mixed AADC trays of letters, may be sorted to NDC/RPDC pallets according to the “label to” ZIP Code in L010. All mixed ADC/RPDC bundles, sacks, and trays and mixed AADC trays must contain only pieces destinating within the NDC/RPDC as shown in L601 as appropriate. Labeling:

[Revise the first and fourth sentences in the introductory text of item h to read as follows:]

h. Mixed NDC/RPDC, optional, permitted for bundles, trays, and sacks (irregular parcels only); allowed with no minimum and required at 100 pounds of mail for bundles of flats. ***** Mailers must place trays and sacks (irregular parcels only) containing pieces paid at the single-piece price on the mixed NDC/RPDC pallet (unless required to be presented separately by special postage payment authorization). ***

8.10.4 Package Services Flats--Bundles and Sacks

*** Label pallets under 8.6 and according to the Line 1 and Line 2 information listed below:

[Revise the introductory text of item e to read as follows:]

e. SCF/LPC, required, permitted for bundles and sacks. Pallet may contain carrier route and/or Presorted price mail with or without a barcode for the 3-digit ZIP Code groups in L005. Labeling:

[Revise the introductory text of item f to read as follows:]

f. ASF/RPDC, required, permitted for bundles and sacks. Pallet may contain carrier route and/or Presorted price mail with or without a barcode for the 3-digit ZIP Code groups in L602. ADC/RPDC bundles or sacks are assigned to pallets according to the “label to” ZIP Code in L004. At the mailer’s option, appropriate mixed ADC/RPDC bundles or sacks may be sorted to ASF/RPDC pallets according to the “label to” ZIP Code in L010. All mixed ADC/RPDC bundles and sacks must contain only pieces destinating within the ASF/RPDC as shown in L602. Labeling:

[Revise the introductory text of item g to read as follows:]

g. NDC/RPDC, required, permitted for bundles and sacks. Pallet may contain carrier route and/or Presorted price mail with or without a barcode for the 3-digit ZIP Code groups in L601. ADC/RPDC bundles or sacks are assigned to pallets according to the “label to” ZIP Code in L004. At the mailer’s option, appropriate mixed ADC bundles or sacks may be sorted to NDC/RPDC pallets according to the “label to” ZIP Code in L010. All mixed ADC/RPDC bundles and sacks must contain only pieces destinating within the NDC/RPDC as shown in L601. Labeling:

[Revise the introductory text of item h, and item h1 to read as follows:]

h. Mixed NDC/RPDC, optional, permitted for sacks only. Pallet may contain carrier route and/or Presorted price mail with or without a barcode. Labeling:

1. Line 1: “MXD” followed by information in L601, Column B, for NDC/RPDC serving 3-digit ZIP Code prefix of entry Post Office (label to plant serving entry Post Office if authorized by processing and distribution manager).

8.10.5 Package Services Irregular Parcels--Bundles and Sacks

[Revise the first sentence in the introductory text of item h to read as follows:]

h. SCF/RPDC, required, permitted for bundles and sacks. ***

[Revise the introductory text of item i to read as follows:]

i. ASF/RPDC, required, permitted for bundles and sacks. Pallet may contain carrier route and/or Presorted price mail for the 3-digit ZIP Code groups in L602. ADC/RPDC bundles or sacks are assigned to pallets according to the “label to” ZIP Code in L004. At the mailer’s option, appropriate mixed ADC/RPDC bundles or sacks may be sorted to ASF/RPDC pallets according to the “label to” ZIP Code in L010. All mixed ADC/RPDC bundles and sacks must contain only pieces destinating within the ASF/RPDC as shown in L602. Labeling:

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[Revise the introductory text of item j to read as follows:]

- j. NDC/RPDC, required, permitted for bundles and sacks. Pallet may contain carrier route and/or Presorted price mail for the 3-digit ZIP Code groups in L601. ADC/RPDC (L004) bundles or sacks are assigned to pallets according to the “label to” ZIP Code in L004. At the mailer’s option, appropriate mixed ADC/RPDC bundles or sacks may be sorted to NDC/RPDC pallets according to the “label to” ZIP Code in L010. All mixed ADC/RPDC bundles and sacks must contain only pieces destined within the NDC/RPDC as shown in L601. Labeling:
* * * * *

[Revise the introductory text of item k, and item k1 to read as follows:]

- k. Mixed NDC/RPDC, optional, permitted for sacks only. Pallet may contain carrier route and/or Presorted price mail. Labeling:
 - 1. Line 1: “MXD” followed by information in L601, Column B, for NDC/RPDC serving 3-digit ZIP Code prefix of entry Post Office (or labeled to plant serving entry Post Office if authorized by processing and distribution manager).

* * * * *

8.10.6 Combined Mailings of USPS Marketing Mail Marketing Parcels 6 Ounces or More, USPS Marketing Mail, Package Services, and Parcel Select Machinable Parcels

* * * Preparation sequence and labeling:

* * * * *

[Revise the first sentence in the introductory text of item c to read as follows:]

- c. ASF/RPDC, optional, but required for DNDC prices. * * *

* * * * *

[Revise the first sentence in the introductory text of item d to read as follows:]

- d. NDC/RPDC, required. * * *

* * * * *

[Revise the introductory text of item e, and item e1 to read as follows:]

- e. Mixed NDC/RPDC, optional. Labeling:
 - 1. Line 1: “MXD” followed by information in L601, Column B, for NDC/RPDC serving 3-digit ZIP Code prefix of entry Post Office (or labeled to plant serving entry Post Office if authorized by processing and distribution manager).

* * * * *

8.10.7 Machinable Parcels--USPS Marketing Mail, Including Marketing Parcels 6 Ounces or More

* * * Label pallets under applicable standards in 8.6 and according to Line 1 and Line 2 information below:

* * * * *

[Revise the introductory text of item c to read as follows:]

- c. SCF/RPDC, optional. Allowed only for mail deposited at a DSCF/DRPDC to claim SCF price. Labeling:

* * * * *

[Revise the first sentence in the introductory text of item d to read as follows:]

- d. ASF/RPDC, optional, but required for DNDC prices. * * *

* * * * *

[Revise the first sentence in the introductory text of item e to read as follows:]

- e. NDC/RPDC, required. * * *

* * * * *

[Revise the introductory text of item f to read as follows:]

- f. Origin NDC/RPDC (required); no minimum; labeling:

* * * * *

[Revise the introductory text of item g, and item g1 to read as follows:]

- g. Mixed NDC/RPDC, optional; no minimum. Labeling:
 - 1. Line 1: “MXD” followed by information in L601, Column B, for NDC/RPDC serving 3-digit ZIP Code prefix of entry Post Office (or labeled to plant serving entry Post Office if authorized by processing and distribution manager).

* * * * *

8.10.8 Irregular Parcels Weighing 2 Ounces or More--USPS Marketing Mail, Including Marketing Parcels

* * * Preparation sequence and labeling:

* * * * *

[Revise the introductory text of item c to read as follows:]

- c. SCF/RPDC, required. Allowed only for mail deposited at a DSCF/DRPDC to claim SCF price; labeling:

* * * * *

[Revise the first sentence in the introductory text of item d to read as follows:]

- d. ASF/RPDC, optional, but required for DNDC prices. * * *

* * * * *

[Revise the first sentence in the introductory text of item e to read as follows:]

- e. NDC/RPDC, required. * * *

* * * * *

[Revise the introductory text of item f to read as follows:]

- f. Origin NDC/RPDC (required); no minimum; labeling:

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[Revise the introductory text of item g, and item g1 to read as follows:]

g. Mixed NDC/RPDC, optional. Labeling:

1. Line 1: "MXD" followed by information in L601, Column B, for NDC/RPDC serving 3-digit ZIP Code prefix of entry Post Office (or labeled to plant serving entry Post Office if authorized by processing and distribution manager).

[Revise the heading of 8.11 to read as follows:]

8.11 Bundle Reallocation To Protect SCF/LPC/RPDC Pallet for Periodicals Flats and Irregular Parcels and USPS Marketing Mail Flats on Pallets

8.11.1 Basic Standards

[Revise the text of 8.11.1 to read as follows:] Bundle reallocation to protect the SCF//LPC (letters, flats)/RPDC (parcels) pallet is an optional preparation method (if performed, bundle reallocation must be done for the entire mailing job); only PAVE-certified presort software may be used to create pallets under the standards in 8.11.2 through 8.11.4. Presort software determines if mail for an SCF/LPC (letters, flats)/RPDC (parcels) service area would fall beyond the SCF/LPC (letters, flats)/RPDC (parcels) level if all finer level pallets are prepared. Reallocation is performed only when there is mail for the SCF/LPC (letters, flats)/RPDC (parcels) service area that would fall beyond the SCF/LPC (letters, flats)/RPDC (parcels) pallet level (e.g., to an ADC or NDC/RPDC pallet). The amount of mail required to bring the mail that would fall beyond the SCF/LPC (letters, flats)/RPDC (parcels) level back to an SCF/LPC (letters, flats)/RPDC (parcels) level is the minimum volume that will be reallocated.

8.11.2 General Rules

Reallocation rules are as follows:

[Revise the second and last sentence of item a to read as follows:]

- a. *** Reallocate only complete bundles and only the minimum number of bundles necessary to create an SCF/LPC (letters, flats)/RPDC (parcels) pallet meeting the minimum pallet weight. Based on the weight of individual pieces within a bundle and bundling parameters, the weight of mail that is reallocated may be slightly more than the minimum volume required to create an SCF/LPC (letters, flats)/RPDC (parcels) pallet.

[Revise the last sentence of item b to read as follows:]

- b. *** If it is not possible to reallocate some mail from a 3-digit pallet first, then attempt to eliminate a 3-digit pallet and reallocate all mail from that pallet to create an SCF/LPC (letters, flats)/RPDC (parcels) pallet; if mail cannot be reallocated from a 3-digit pallet, then attempt to reallocate some mail from any 5-digit level pallet.

[Revise the text of item c to read as follows:]

- c. The reallocation process may result in the elimination of a 3-digit pallet to create an SCF/LPC (letters, flats)/RPDC (parcels) pallet, but a 5-digit level pallet may not be eliminated to create an SCF/LPC (letters, flats)/RPDC (parcels) pallet.

[Revise the first sentence of item d to read as follows:]

- d. When reallocating mail to create an SCF/LPC (letters, flats)/RPDC (parcels) pallet, reallocate mail from only one more finely sorted pallet. ***

8.11.3 Reallocation of Bundles if Optional 3-Digit Pallets Are Prepared

Reallocation rules are as follows:

[Revise the first and last sentence of item a to read as follows:]

- a. Attempt to identify a 3-digit pallet of adequate weight that can support reallocation of one or more bundles to bring the mail that has fallen through the SCF/LPC (letters, flats)/RPDC (parcels) level back to the SCF/LPC level without eliminating the pallet. *****
* If a 3-digit pallet of adequate weight is available, create an SCF/LPC (letters, flats)/RPDC (parcels) pallet by combining the reallocated mail from the 3-digit pallet with the mail that would fall beyond the SCF/LPC pallet level.

[Revise the text of item b to read as follows:]

- b. If no single 3-digit pallet within the SCF/LPC (letters, flats)/RPDC (parcels) service area contains an adequate volume of mail to allow reallocation of a portion of the mail on a pallet as described in the previous step, then eliminate one 3-digit pallet and reallocate all of the mail to create an SCF/LPC (letters, flats)/RPDC (parcels) pallet by combining it with the mail that would fall beyond the SCF/LPC (letters, flats)/RPDC (parcels) pallet level. As a result, the software will not prepare one 3-digit pallet for the SCF service area if it is detrimental to the SCF/LPC (letters, flats)/RPDC (parcels) pallet.

[Revise the text of item c to read as follows:]

- c. If preparation is under 8.0 and there are no 3-digit pallets, attempt to identify a 5-digit level pallet of adequate weight to support reallocation of one or more bundles to bring the mail that would fall beyond the SCF/LPC (letters, flats)/RPDC (parcels) pallet level back to the SCF/LPC (letters, flats)/RPDC (parcels) level. If preparation is under 10.0, 12.0, or 13.0 and there are no 3-digit pallets, attempt to identify a 5-digit level pallet of adequate weight to support reallocation of one or more bundles to bring the mail that would fall beyond the SCF/LPC (letters, flats)/RPDC (parcels) pallet level back to the SCF/LPC (letters, flats)/RPDC (parcels) level. A sufficient volume of mail must remain on the applicable pallet after reallocation to meet the pallet weight minimum established by the mailer in compliance with applicable standards. If a 5-digit level pallet of adequate weight is available, create an SCF/LPC (letters, flats)/RPDC (parcels) pallet by combining the reallocated bundles with the mail that would fall beyond the SCF/LPC (letters, flats)/RPDC (parcels) pallet level.

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

- d. If no single 5-digit level pallet within the SCF/LPC (letters, flats)/RPDC (parcels) service area contains an adequate volume of mail to allow reallocating a portion of the mail on a pallet as described in 8.11.3c, then no bundles will be reallocated and an SCF/LPC (letters, flats)/RPDC (parcels) pallet will not be prepared. Mail that falls beyond the SCF/LPC (letters, flats)/RPDC (parcels) pallet level must be placed on the next appropriate pallet (ADC/RPDC, ASF/RPDC, NDC/RPDC or MNDC/RPDC) or in the next appropriate sack (irregular parcels) or flat tray.

8.11.4 Reallocation of Bundles if Optional 3-Digit Pallets Are Not Prepared

Reallocation rules are as follows:

[Revise the first and last sentence of item a to read as follows:]

- a. Attempt to identify a 5-digit level pallet of adequate weight to support reallocation of one or more bundles to bring the mail that would fall beyond the SCF/LPC (letters, flats)/RPDC (parcels) pallet level back to the SCF/LPC (letters, flats)/RPDC (parcels) level. * * * * *
* * * * * If a 5-digit level pallet of adequate weight is available, create an SCF/LPC (letters, flats)/RPDC (parcels) pallet by combining the reallocated bundles with the mail that would fall beyond the SCF/LPC (letters, flats)/RPDC (parcels) pallet level.

[Revise the text of item b to read as follows:]

- b. If no single 5-digit level pallet within the SCF/LPC (letters, flats)/RPDC (parcels) service area contains an adequate volume of mail to allow reallocating a portion of the mail on a pallet as described in 8.11.4a, then no bundles will be reallocated and an SCF/LPC (letters, flats)/RPDC (parcels) pallet will not be prepared. Mail that falls beyond the SCF/LPC (letters, flats)/RPDC (parcels) pallet level must be placed on the next appropriate pallet (ADC/RPDC, ASF/RPDC, NDC/RPDC, or MNDC/RPDC) or in the next appropriate sack (irregular parcels) or flat tray.

* * * * *

[Revise the heading of 8.12 to read as follows:]

8.12 Bundle Reallocation To Protect ADC/RPDC Pallet for Periodicals Flats and Irregular Parcels on Pallets

8.12.1 Basic Standards

[Revise the text of 8.12.1 to read as follows:] Bundle reallocation to protect the ADC/RPDC pallet is an optional preparation method authorized for mailers using PAVE-certified presort software and may be used to create pallets under the standards in 8.12.2 and 8.12.3. Presort software determines if mail for an ADC/RPDC service area falls beyond the ADC/RPDC level if all finer level pallets are prepared. Reallocation is performed only when there is mail for the ADC/RPDC service area that falls beyond the ADC/RPDC pallet level (e.g., to sacks or flat trays). Reallocate only the minimum number of bundles necessary to create an ADC/RPDC pallet at the minimum required weight.

8.12.2 General Rules

Reallocation rules are as follows:

[Revise the second and last sentence of item a to read as follows:]

- a. * * * * * Reallocate only complete bundles and only the minimum number of bundles necessary to create an ADC/RPDC pallet meeting the minimum pallet weight. Based on the weight of individual pieces within a bundle and bundling parameters, the weight of mail that is reallocated may be slightly more than the minimum volume required to create an ADC/RPDC pallet.

[Revise text of item b to read as follows:]

- b. Reallocate only bundles of an SCF/LPC (letters, flats)/RPDC (parcels) pallet from the same city and state as the ADC/RPDC (L005, Column B). This may be accomplished by reallocating a portion of the bundles from an SCF/LPC (letters, flats)/RPDC (parcels) pallet or reallocating all mail from the SCF/LPC (letters, flats)/RPDC (parcels) pallet. Bundles may be reallocated from a protected SCF/LPC (letters, flats)/RPDC (parcels) (PSCF/LPC (letters, flats)/RPDC (parcels)) pallet prepared under 8.11.

* * * * *

[Revise the heading of 8.13 to read as follows:]

8.13 Bundle Reallocation To Protect NDC/RPDC Pallet for USPS Marketing Mail Flats on Pallets

8.13.1 Basic Standards

[Revise the text of 8.13.1 to read as follows:] Bundle reallocation to protect the NDC/RPDC pallet level is an optional preparation method (if performed, bundle reallocation must be done for the complete mailing job); only PAVE-certified presort software may be used to create pallets under the standards in 8.13.2 through 8.13.4. The software will determine if mail for a NDC/RPDC service area would fall beyond the NDC/RPDC level when ASF/RPDC pallets are prepared. Reallocation is performed only when there is mail for the NDC/RPDC service area that would fall beyond the NDC/RPDC pallet level as a result of an ASF/RPDC pallet being prepared. The amount required to bring the mail back to the NDC/RPDC level is the minimum volume that would be reallocated from an ASF/RPDC pallet, when possible. The following “parent” NDCs/RPDCs can be protected with bundle reallocation by using mail from the ASF/RPDC “child” pallets indicated in Exhibit 8.13.1.

[Revise the heading of Exhibit 8.13.1 to read as follows:]

Exhibit 8.13.1 “Parent” NDC/RPDC/“Child” ASF/RPDC

* * * * *

8.13.2 General Rules

In general, when reallocating:

[Revise the second and last sentence of item a to read as follows:]

- a. * * * * * Reallocate only complete bundles and only the minimum number of bundles necessary to create a NDC/RPDC pallet that meets the minimum pallet weight. Based on the weight of individual pieces within a bundle and bundling parameters, the weight of mail that is reallocated may be slightly more than the minimum volume required to create a NDC/RPDC pallet.

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[Revise the text of items b and c to read as follows:]

- b. Use Exhibit 8.13.1 to reallocate bundles from the ASF/RPDC pallet to create a NDC/RPDC pallet. The ASF/RPDC pallet may be eliminated to protect the NDC/RPDC pallet.
- c. Reallocate mail only from one ASF/RPDC pallet. Bundle reallocation is to be used only between the “parent” NDC/RPDC and the “child” ASF/RPDC. Mail from finer levels of pallets (e.g., SCF/LPC (letters, flats)/RPDC (parcels) pallets) may not be reallocated.

[Revise the heading and text of 8.13.3 to read as follows:]

8.13.3 Reallocation of Bundles From ASF/RPDC Pallets

When reallocating bundles from ASF/RPDC pallets:

- a. Use Exhibit 8.13.1 to identify an ASF/RPDC pallet of adequate weight that can support reallocation of one or more bundles to bring the mail that has fallen through the NDC/RPDC level back to the NDC/RPDC level without eliminating the ASF/RPDC pallet. A sufficient amount of mail must remain on the ASF/RPDC pallet after reallocation to meet the minimum ASF/RPDC pallet weight. If an ASF/RPDC pallet of adequate weight is available, then create a NDC/RPDC pallet by combining the reallocated mail from the ASF/RPDC pallet with the mail that would fall beyond the NDC/RPDC pallet level.
- b. If no single ASF/RPDC pallet within the NDC/RPDC service area contains an adequate volume of mail to allow reallocation of the portion of the mail on a pallet as described in 8.13.3a, then eliminate one ASF/RPDC pallet and reallocate all of the mail to create a NDC/RPDC pallet.

8.14 Pallets of Bundles, Sacks, and Trays

[Revise the heading and text of 8.14.3 to read as follows:]

8.14.3 NDC/RPDC and Mixed NDC/RPDC Pallets

Bundles placed on NDC/RPDC pallets must be machinable on NDC/RPDC parcel sorting equipment. Line 2 on pallet labels must reflect the processing category of the pieces. A NDC/RPDC or mixed NDC/RPDC (trays and sacks only) pallet may include pieces that are eligible for the DNDC price and others that are ineligible.

8.14.5 Securing Trays

[Revise the text of 8.14.5 to read as follows:] Trays must be sleeved and strapped under 235.3.0 for First-Class Mail letters, 245.3.0 for USPS Marketing Mail letters, 235.3.0 for First-Class Mail flats, 245.3.0 for USPS Marketing Mail flats, 265.3.0 for Bound Printed Matter flats, or 275.3.0 for Media Mail flats and Library Mail flats, except that strapping is not required for any letter tray placed on a 5-digit, 3-digit, or SCF/LPC pallet secured with stretchwrap. In addition, if the processing and distribution manager gives a written waiver, strapping is not required for any letter tray that originates and destines in the same SCF/LPC (mail processing plant) service area.

8.16 Copalletized Letter-Size and Flat-Size Pieces--Periodicals or USPS Marketing Mail

8.16.2 Periodicals

Additional standards are as follows:

- c. *** Approval is based on the mailer’s demonstrated ability to provide documentation meeting these standards:

[Revise the text of item c4 to read as follows:]

- 4. Documentation showing that 5-digit, 3-digit, SCF/LPC, and ADC/RPDC pallets are prepared when the applicable minimum volume is developed in the copalletized mailing for these destinations.

8.17 Pallets of Machinable Parcels

8.17.1 DNDC Price

[Revise the text of 8.17.1 to read as follows:]

A NDC/RPDC pallet may include pieces that are eligible for the DNDC price and pieces that are ineligible.

8.18 Parcel Select DSCF Prices--Parcels on Pallets

8.18.1 Basic Preparation, Parcels on Pallets

Unless prepared under 8.18.2, or in sacks, mail must be prepared for the DSCF price as follows:

[Revise the text of items a and b to read as follows:]

- a. General. Parcels for each SCF/RPDC area must be sorted to 5-digit scheme, 5-digit, SCF/RPDC (machinable parcels only), or 3-digit (nonmachinable) destinations on pallets. For purposes of this section, the term “pallets” includes preparation of parcels directly on pallets and in pallet boxes on pallets. Except when prepared under 8.18.2, each 5-digit scheme, 5-digit, SCF/RPDC, and 3-digit pallet must meet a minimum volume requirement under one of the criteria in 8.18.1. Machinable and nonmachinable pieces may be combined on the same pallet or in the same overflow sack when sorted to 5-digit scheme or 5-digit destinations. In a single mailing mailers may prepare some pallets under the minimum volume requirement in 8.18.1b1 and some pallets under the minimum volume requirement in 8.18.1b2. A mailing entered at a destination SCF/RPDC facility containing pallets prepared under 8.18.1 also may include mail that is sacked for the DSCF price. Double-stacking is permitted if the requirements of 8.3 are met.

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- b. Minimum volume. The minimum volume per 5-digit scheme, 5-digit, SCF/RPDC, and 3-digit pallet can be met in one of the following ways:
 - 1. Pieces may be placed on 5-digit scheme, 5-digit, SCF/RPDC, and 3-digit pallets, each containing at least 50 pieces and 250 pounds.
 - 2. Pieces may be placed on 5-digit scheme, 5-digit, SCF/RPDC, and 3-digit pallets, each having a minimum height of 36 inches of mail (excluding the height of the pallet) (see 8.5.4).

[Revise the introductory text of item c to read as follows:]

- c. Overflow. After a pallet(s) is filled to a 5-digit scheme, 5-digit, SCF/RPDC, or 3-digit destination, any remaining pieces that do not meet the minimum pallet requirements may be prepared in one or both of the following ways:

[Revise the first sentence of item c1 to read as follows:]

- 1. Placed in 5-digit scheme, 5-digit, SCF/RPDC, or 3-digit overflow sacks (no minimum number of pieces per sack) that are labeled in accordance with the 5-digit scheme, 5-digit, SCF/RPDC, or 3-digit sacking requirements for the DSCF price in 255.4.2. * * *

[Revise the first sentence of item c2 to read as follows:]

- 2. Placed on a 5-digit scheme, 5-digit, SCF/RPDC, or 3-digit pallet labeled under 8.18.1 that does not meet the minimums for the DSCF price. * * *

* * * * *

[Revise the introductory text of item f to read as follows:]

- f. SCF/RPDC. Pallet labeling:

* * * * *

8.18.2 Alternate Preparation, Parcels on Pallets

DSCF price mailings not prepared under 8.18.1 may be prepared as follows:

[Revise the first sentence of item a to read as follows:]

- a. General. All DSCF price mail in the mailing must be sorted to 5-digit scheme, 5-digit, SCF/RPDC (machinable parcels only), or 3-digit (nonmachinable) destinations under 8.18.2 (i.e., mail prepared under 8.18.1 and mail sacked under 255.4.2 must not be included in a mailing prepared under 8.18.2). * * *

[Revise the text of item b to read as follows:]

- b. Minimum volume. To qualify for the DSCF price, no pallet may contain fewer than 35 pieces and 200 pounds, and for the entire mailing the average number of DSCF price pieces per 5-digit scheme, 5-digit, SCF/RPDC, or 3-digit destination must be at least 50.

[Revise the text of item c to read as follows:]

- c. Overflow. After pallets are filled to a 5-digit scheme, 5-digit, SCF/RPDC, or 3-digit destination, any remaining pieces that do not meet the minimum pallet requirements may be prepared in one or both of the following ways:

[Revise the first sentence of item c1 to read as follows:]

- 1. Placed in 5-digit scheme, 5-digit, SCF/RPDC, or 3-digit overflow sacks (no minimum number of pieces per sack) that are labeled in accordance with the DSCF/DRPDC sacking requirements in 255.4.2. * * *

* * * * *

[Revise the introductory text of item f to read as follows:]

- f. SCF/RPDC. Pallet labeling:

* * * * *

[Revise the first and fourth sentences of item h to read as follows:]

- h. Documentation. A list of each 5-digit scheme, 5-digit, SCF/RPDC, and 3-digit pallet in the mailing that qualifies for the DSCF price must be submitted. * * * * * For each pallet, the listing must show: the pallet identification number, the applicable 5-digit scheme, 5-digit, SCF/RPDC, or 3-digit destination of the pallet, the total weight of pieces on the pallet, the total number of pieces on the pallet, and the running total of pieces (i.e., the number equal to the number of pieces for that pallet plus the sum of the pieces on all pallets listed before it). * * *

* * * * *

8.19 Parcel Select DSCF Prices--Sacks on Pallets

[Revise the first and second sentence in the introductory text of 8.19 to read as follows:] Mailers who prepared DSCF price mail in 5-digit scheme or 5-digit sacks under 255.4.2 may place 5-digit sacks for the same SCF/RPDC area on an SCF/RPDC pallet (including a pallet box on a pallet). Mailers who prepare overflow from pallets under 8.18.1 or 8.18.2 may place 5-digit scheme or 5-digit sacks for the same SCF/RPDC area on an SCF/RPDC pallet (including a pallet box on a pallet). * * *

* * * * *

8.20 Parcel Select and Bound Printed Matter DDU Prices

[Revise the sixth sentence in the introductory text of 8.20 to read as follows:] * * * If a DDU or DS&DC facility cannot handle pallets, and a mailer transports mail to the DDU or DS&DC facility on pallets, the driver must unload the pallets into a container specified by the delivery unit. * * *

* * * * *

16.0 Plant Load Mailings

* * * * *

16.7 Interdistrict Plant-Loaded Shipments

* * * * *

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16.7.2 First-Class Mail

For plant-loaded shipments of First-Class Mail:

[Revise the text of items a and b to read as follows:]

- a. If there is enough mail for the same SCF/LPC service area to fill 60% or more of a vehicle by weight or by cube (a minimum of 28,000 pounds or 2,000 cubic feet), the mailer must prepare a direct vehicle for that SCF/LPC.
- b. After making up all possible SCF/LPC vehicles, if there is enough mail for the same ADC/RPDC service area to fill 60% or more of a vehicle by weight or by cube, the mailer must prepare a direct vehicle for that ADC/RPDC.

16.7.3 Periodicals

For plant-loaded shipments of Periodicals:

[Revise the text of items a, b, and c, to read as follows:]

- a. If there is enough mail for the same SCF/LPC (letters, flats)/RPDC (parcels) service area to fill 60% or more of a vehicle by weight or by cube, the mailer must prepare a direct vehicle for that SCF/LPC (letters, flats)/RPDC (parcels).
- b. After making up all possible SCF/LPC (letters, flats)/RPDC (parcels) vehicles, if there is enough mail for the same ADC/RPDC service area to fill 60% or more of a vehicle by weight or by cube, the mailer must prepare a direct vehicle for that ADC/RPDC.
- c. After making up all possible SCF/LPC (letters, flats)/RPDC (parcels) and ADC/RPDC vehicles, if there is enough mail for the same transfer hub service area to fill 60% or more of a vehicle by weight or by cube, the mailer must prepare a direct vehicle for that transfer hub.

16.7.4 USPS Marketing Mail, Parcel Select, and Package Services

For plant-loaded shipments of USPS Marketing Mail, Parcel Select, and Package Services:

[Revise the text of items a and b to read as follows:]

- a. If there is enough mail for the same SCF/LPC (letters, flats)/RPDC (parcels) service area to fill 60% or more of a vehicle by weight or by cube (a minimum of 28,000 pounds or 2,000 cubic feet), the mailer must prepare a direct vehicle for that SCF/LPC (letters, flats)/RPDC (parcels).
- b. After making up all possible SCF/LPC (letters, flats)/RPDC (parcels) vehicles, if there is enough mail for the same ASF/RPDC or NDC/RPDC service area to fill 60% or more of a vehicle by weight or by cube, the mailer must prepare a direct vehicle for that NDC/RPDC or ASF/RPDC.

* * * * *

16.7.7 Sufficient Volume

Two or more mailings, which independently have sufficient volume to require destination vehicles to be prepared, must meet these standards when combined:

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

- a. For First-Class Mail, if there is enough mail for the same ADC/RPDC service area to fill 60% or more of a vehicle by weight or by cube, the mailer must prepare a direct vehicle for the ADC/RPDC.

* * * * *

[Revise the text of item c to read as follows:]

- c. For USPS Marketing Mail, Parcel Select, and Package Services, if there is enough mail for the same ASF/RPDC or NDC/RPDC service area to fill 60% or more of a vehicle by weight or by cube, the mailer must prepare a direct vehicle for that ASF/RPDC or NDC/RPDC.

* * * * *

18.0 Priority Mail Express Open and Distribute and Priority Mail Open and Distribute

* * * * *

18.5 Preparation

18.5.1 Containers for Expedited Transport

Acceptable containers for expedited transport are as follows:

* * * * *

[Revise the text of item c to read as follows:]

- c. A Priority Mail Express or Priority Mail Open and Distribute shipment destined to a DDU or DS&DC may be contained in USPS-provided Priority Mail Express Flat Rate envelopes using the applicable label in 18.5.3a, or Priority Mail Flat Rate Envelopes and boxes using the applicable label in 18.5.3b.

* * * * *

18.5.2 Priority Mail Express and Priority Mail Tray and Sack Labels

* * * Label trays or sacks as follows:

- a. Line 1 (destination line) provides information on the destination entry office where the enclosed mail is to be distributed.

[Revise the text of items a1 through a5 to read as follows:]

1. For destination delivery unit (DDU) distribution or sorting and delivery center (DS&DC), use the facility name and ZIP Code found in the Drop Shipment Address File available at the USPS FAST website at <https://fast.usps.com> (click Resources in the left-hand navigation bar, then “Go” for “Drop Ship Product File Download”).
2. For SCF/RPDC distribution, use the destination in L005, Column B.
3. For ADC/RPDC distribution, use the destination in L004, Column B.
4. For NDC/RPDC distribution, use the destination in L601, Column B.
5. For ASF/RPDC distribution, use the destination in L602, Column B.

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18.5.3 Tags 257 and 267 – Priority Mail Express Open and Distribute

*** The applicable tag must be attached to each Priority Mail Express sack, in addition to the Priority Mail Express sack label, to identify it as a Priority Mail Express Open and Distribute shipment as follows:

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

- a. Attach yellow Tag 267 or yellow Tag 267-EVS to sacks used as Priority Mail Express Open and Distribute containers destined to a NDC/RPDC, ASF/RPDC, ADC/RPDC, or SCF/RPDC facility.

[Revise the first sentence of item b to read as follows:]

- b. Attach blue Tag 257 or blue Tag 257-EVS to sacks used as Priority Mail Express Open and Distribute containers destined to a DDU or DS&DC. ***

18.5.4 Tags 161 and 190 – Priority Mail Open and Distribute

*** The applicable tag must be attached to each Priority Mail sack, in addition to the Priority Mail sack label, or container to identify it as a Priority Mail Open and Distribute shipment as follows:

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

- a. Attach green Tag 161 or green Tag 161-EVS to sacks used as Priority Mail Open and Distribute containers to a NDC/RPDC, ASF/RPDC, ADC/RPDC, or SCF/RPDC facility.

[Revise the first sentence of item b to read as follows:]

- b. Attach pink Tag 190 or pink Tag 190-EVS to sacks used as Priority Mail Open and Distribute containers to a DDU or DS&DC. ***

[Revise the heading of 18.5.8 to read as follows:]

18.5.8 DDU or DS&DC Address Labels

[Revise the first and second sentence of 18.5.8 to read as follows:] For the DDU or DS&DC address label, use the name of the DDU or DS&DC on the top line; the street address of the facility on the next line; and city, state, and ZIP+4 code on the last line of the address block. For the DDU or DS&DC address label, use the destination facility name, the street address, city, state, and ZIP+4 found in the Drop Entry Point View File available at USPS' FAST website: <https://fast.usps.com> (click on Reports > Mail Direction Search > Drop Entry Point View). ***

[Revise the heading of 18.5.9 to read as follows:]

18.5.9 SCF/RPDC Address Labels

[Revise the first and second sentence of 18.5.9 to read as follows:] For the SCF/RPDC address label, use SCF/RPDC followed by the facility name, state, and National Air and Surface System (NASS) Code found in the Drop Entry Point View File available at the USPS FAST website: <https://fast.usps.com> Drop Entry Point View). Directly below the SCF/RPDC facility name, indicate the class and processing category of the enclosed mail. ***

[Revise the heading of Exhibit 18.5.9 to read as follows:]

Exhibit 18.5.9 SCF/RPDC Address Label

[Revise the heading and text of 18.5.10 to read as follows:]

18.5.10 ADC/RPDC Address Labels

(Drop Entry Point View). For the ADC/RPDC address label, use ADC/RPDC followed by the city, state, and ZIP Code found in the Drop Entry Point View File available at USPS' FAST website: <https://fast.usps.com>. Directly below the ADC/RPDC facility name, indicate the class and processing category of the enclosed mail. See Exhibit 18.5.10 for an example of an ADC/RPDC address label.

[Revise the heading of Exhibit 18.5.10 to read as follows:]

Exhibit 18.5.10 ADC/RPDC Address Label

[Revise the heading of 18.5.11 to read as follows:]

18.5.11 NDC/RPDC Address Labels

[Revise the first and last sentence of 18.5.11 to read as follows:] For the ADC address label, use NDC followed by the facility name, state, and NASS Code found in the Drop Entry Point View File available at the USPS FAST website: <https://fast.usps.com> Drop Entry Point View). ***** See Exhibit 18.5.11 for an example of a NDC/RPDC address label.

[Revise the heading of Exhibit 18.5.11 to read as follows:]

Exhibit 18.5.11 NDC/RPDC Address Label

[Revise the heading of 18.5.12 to read as follows:]

18.5.12 ASF/RPDC Address Labels

[Revise the first and last sentence of 18.5.12 to read as follows:] For the ASF/RPDC address label, use ASF followed by the facility name, state, and NASS Code found in the Drop Entry Point View File available at the USPS FAST website: <https://fast.usps.com> Drop Entry Point View). ***** See Exhibit 18.5.12 for an example of an ASF/RPDC address label.

[Revise the heading of Exhibit 18.5.12 to read as follows:]

Exhibit 18.5.12 ASF/RPDC Address Label

USPS FINAL RULE – Domestic Competitive Products Pricing and Mailing Standards Changes

21.0 Optional Combined Parcel Mailings

21.2 Price Eligibility

21.2.2 Price Application

Apply prices based on the criteria in 200 and the following standards:

b. Bound Printed Matter parcels qualify for single-piece prices or Presorted Bound Printed Matter prices as follows:

[Revise the text of items b1 and b2 to read as follows:]

1. Presorted prices for BPM pieces prepared in other than MXD ADC/RPDC/MXD NDC/RPDC containers when there are at least 300 pieces of BPM in the combined mailing.
2. Nonpresorted prices for pieces prepared in MXD ADC/RPDC/MXD NDC/RPDC containers and when there are less than 300 pieces of BPM in the combined mailing.

c. Media Mail parcels qualify for single-piece, basic, or 5-digit prices as follows:

[Revise the text of items c2 and c3 to read as follows:]

2. Basic prices for pieces prepared in 3-digit, ADC/RPDC, and NDC/RPDC, containers when there are at least 300 pieces of Media Mail in the combined mailing.
3. Single-piece prices for pieces prepared in MXD ADC/RPDC/MXD NDC/RPDC containers and when there are less than 300 pieces of Media Mail in the combined mailing.

d. Library Mail parcels qualify for single-piece, basic, or 5-digit prices as follows:

[Revise the text of items d2 and d3 to read as follows:]

2. Basic prices for pieces prepared in 3-digit, ADC/RPDC, and NDC/RPDC, containers when there are at least 300 pieces of Library Mail in the combined mailing.
3. Single-piece prices for pieces in MXD ADC/RPDC/MXD NDC/RPDC containers and when there are less than 300 pieces of Library Mail in the combined mailing.

[Revise the text of item e to read as follows:]

e. Parcel Select prices are based on the destination entry for pieces in 5-digit, 3-digit, ADC/RPDC, or NDC/RPDC containers.

21.3.2 Combining USPS Marketing Mail, Parcel Select, and Package Services Machinable Parcels

Combined Preparation

[Revise the column headings under “Combined Preparation” to read as follows:]

NDC/ASF/RPDC Mixed NDC/RPDC

Entry

[Revise the following destination entries under the “Entry” column to read as follows:]

DNDC/DRPDC

DSCF/DRPDC

DDU or DS&DC

21.3.3 Combining USPS Marketing Mail, Parcel Select, and Package Services APPS-Machinable Parcels

Combined Preparation

[Revise the column headings under “Combined Preparation” to read as follows:]

3-Digit ADC/RPDC Mixed ADC/RPDC

Entry

[Revise the following destination entries under the “Entry” column to read as follows:]

DNDC/DRPDC

DSCF/DRPDC

DDU or DS&DC

USPS FINAL RULE – Domestic Competitive Products Pricing and Mailing Standards Changes

21.3.4 Combining USPS Marketing Mail, Parcel Select, and Package Services Parcels (Not APPS-Machinable)

Combined Preparation

[Revise the column headings under “Combined Preparation” to read as follows:]

3-Digit ADC/RPDC Mixed ADC/RPDC

Entry

[Revise the following destination entries under the “Entry” column to read as follows:]

DNDC/DRPDC

DSCF/DRPDC

DDU or DS&DC

Index

B

Bound Printed Matter, Commercial Parcels

entry

[Revise the text under “entry” to read as follows:]

DNDC/RPDC entry, 266.4.0

DSCF/LPC (flats)/RPDC (parcels) entry, 266.5.0

DDU or S&DC entry, 266.6.0

N

[Revise the “Network Distribution Center (NDC) acceptance” line item to read as follows:]

Network Distribution Center (NDC)/Regional Processing & Distribution Center (RPDC) Acceptance

S

[Revise the “Sectional Center Facility” line item to read as follows:]

Sectional Center Facility (SCF)/Local Processing Center (LPC)/Regional Processing & Distribution Center (RPDC), 246.4.0, 246.4.0, 266.5.0, 246.4.0, 266.5.0

USPS Marketing Mail, Flats

[Revise the entry line items under “USPS Marketing Mail, flats” to read as follows:]

DNDC/RPDC entry, 246.3.0

DDU or S&DC entry, 246.5.0

DSCF/LPC entry, 246.4.0

USPS Marketing Mail, Letters

[Revise the entry line items under “USPS Marketing Mail, letters” to read as follows:]

DNDC/RPDC entry, 246.3.0

DDU or S&DC entry, 246.5.0

DSCF/LPC entry, 246.4.0

USPS Marketing Mail, Parcels

[Revise the entry line items under “USPS Marketing Mail, parcels” to read as follows:]

DNDC/RPDC entry, 246.3.0

DDU or S&DC entry, 246.5.0

DSCF/RPDC entry, 246.4.0

Christopher Doyle,

Attorney, Ethics and Legal Compliance.