Mailers Hub News

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May 9, 2022

Associations Respond to USPS Opposition to Ratesetting Changes

In separate filings on April 11, two groups of industry associations petitioned the Postal Regulatory Commission to reconsider the additional rate authorities it granted the Postal Service in a final rule issued November 30, 2020. Their request followed by less than a week the enactment of the *Postal Reform Act of 2022* which significantly reduced the debt and future costs of the Postal Service that had driven the PRC's rulemaking and its conclusion.

At the commission

Both petitions predicated their request on the provision of the legislation that eliminated the prefunding obligation and its associated financial burden, estimated to reduce USPS red ink by as much as $108 billion over ten years.

In their petition, docketed as RM2022-5, the Association for Postal Commerce (PostCom) and the Alliance of Nonprofit Mailers stated

> "... Now that President Biden has signed the Postal Service Reform Act of 2022 into law, the Commission should make good on this promise and revisit its rules authorizing above-inflation price increases prior to the scheduled five-year review. Doing so not only keeps the Commission's promise, but is warranted by Congress' mandate to review the rate system ten years after PAEA's enactment 'and as appropriate thereafter.' It is appropriate now. ... "

In the second petition, docketed as RM2022-6, the Greeting Card Association and the American Forest and Paper Association requested the PRC to vacate its 2020 order and

> "... The new legislation has removed much of the basis on which the Commission justified the changes it made in [November 2020]. Those changes may no longer be assumed to be 'necessary to achieve the objectives' of the market-dominant regulatory system. Only changes satisfying that standard are permissible under [statute], and thus an *ab initio* review is necessary. ..."

As was probably expected, the Postal Service moved on April 20 that both petitions be rejected:

> "In every respect, these filings are deficient, and the Commission should decline to open a rulemaking. ... As petitions for rulemaking, they fail to comply with the Commission's applicable rules. More fundamentally, the petitions fail to provide any substantive basis for the Commission to institute a review of the market-dominant regulatory system ... now, or at any time before the scheduled five-year review. ..."

In their April 27 responses, the industry groups disputed the bases for the Postal Service's opposition.

PostCom and the Alliance stated:

> "... The Postal Service misstates the relief requested by the Petitioners, mischaracterizes the arguments made by Petitioners, and ignores the obvious fact that its financial condition has significantly changed after the passage of the Postal Service Reform Act. As described in the Petition for Rulemaking, the fundamental premises underlying the Commission's rules granting the Postal Service authority to increase rates by more than the annual change in the Consumer Price Index have changed. While one can argue over *how much* impact these changes have on the Postal Service's financial condition, one cannot reasonably argue – as the Postal Service does – that no fundamental change has occurred. Thus, despite the Postal Service's protestations, a new notice-and-comment review of the market dominant ratemaking system is appropriate now. ..."

In their response, the GCA and AF&PA took a different tack:

> "The Postal Service motion relies on a mistaken understanding of what the joint petition does. At pp. 5-6, it states that 'the petitions are largely predicated on a sheer desire to relitigate various points of the Commission's past decisions establishing the current system.' This mischaracterization is repeated at p. 7. It should be corrected at the outset. To 'relitigate' an issue is to seek a different outcome on the same legal and factual situation which had led to the outcome the 'relitigator' disagrees with. In the present case, the legal situation – and the factual situation it entails – have changed importantly. It is those changes which require the Commission to review the system in light of PSRA 2022. ... The Commission, accordingly, should not treat the Petition as an attempt to relitigate but as what it is: a request that the system be revised to conform to the existing legal and factual environment."

There is no timeline for the PRC to rule on the petitions or motions. If the commission rejects the petitions, the current ratesetting process remains unchanged. However, if it accepts the petitions and opens a new rulemaking, the most likely result would be the elimination of the added "prefunding" rate authority granted by the PRC in 2020. The "density" adder could be amended, but it's a virtual certainty that the non-compensatory provision (affecting "underwater" products) would be retained.

USPS Releases Second Quarter Results

On May 5, the Postal Service released its *Form 10-Q* for the second quarter of fiscal 2022 (January 1 – March 31). The period covers the post-holiday mailing season and usually has lower volume and revenue than the preceding quarter.

Revenue and volume

Despite weak volume compared to the same period last year, total revenue in PQ II of FY 2022 was higher thanks to a price increase implemented in August 2021. However, while the overall increase in August was about 6.8%, revenue for the quarter was up less than 4.75% because of lower volume, particularly of higher-contribution products like First-Class Mail, Priority Mail, and ground parcels.

	Three Months Ended March 31,		Six Months Ended March 31,	
(in millions)	2022	2021[1]	2022	2021[1]
Operating Revenue:				
First-Class Mail[2]	$ 6,270	$ 5,974	$ 12,734	$ 12,279
Marketing Mail[3]	3,740	3,228	8,209	7,392
Shipping and Packages[4]	7,873	7,775	16,514	17,154
International	417	558	959	1,206
Periodicals	224	235	483	479
Other[5]	1,262	1,120	2,180	1,875
Total operating revenue	**$ 19,786**	**$ 18,890**	**$ 41,079**	**$ 40,385**
Volume:				
First-Class Mail[2]	12,979	13,061	26,190	26,802
Marketing Mail[3]	15,842	14,616	34,647	34,130
Shipping and Packages[4]	1,772	1,866	3,735	4,039
International	90	109	201	236
Periodicals	804	936	1,724	1,879
Other[6]	61	74	142	163
Total volume	**31,548**	**30,662**	**66,639**	**67,249**

[1] Prior period amounts for certain service categories include reclassifications of amounts amongst service categories to conform to current period presentation. These reclassifications are immaterial for each affected category and have no effect on total operating revenue for the period. These reclassifications are required by Postal Service regulatory requirements and are included in this document for consistency amongst publicly-available information.

[2] Excludes *First-Class Package Service - Retail* and *First-Class Package Service - Commercial.*

[3] Excludes *Marketing Mail Parcels.*

[4] Includes *Priority Mail, USPS Retail Ground, Parcel Select Mail, Parcel Return Service Mail, Marketing Mail Parcels, Package Service Mail, First-Class Package Service - Retail, First-Class Package Service - Commercial* and *Priority Mail Express.*

[5] Revenue includes *PO Box* services, *Certified Mail*, Return Receipts, Insurance, Other Ancillary Services, Shipping and Mailing Supplies, Collect on Delivery, *Registered Mail*, Stamped Envelopes and Cards, Money Orders and other services.

[6] Volume includes Postal Service internal mail and free mail provided to certain congressionally mandated groups.

	Three Months Ended March 31,		Six Months Ended March 31,	
(in millions)	2022	2021	2022	2021
Shipping and Packages Revenue:				
Priority Mail Services[1]	$ 3,227	$ 3,482	$ 7,112	$ 7,820
Parcel Services[2]	2,245	2,267	4,791	5,007
First-Class Package Services[3]	2,180	1,809	4,159	3,888
Package Services	221	217	452	439
Total Shipping and Packages revenue	**$ 7,873**	**$ 7,775**	**$ 16,514**	**$ 17,154**
Shipping and Packages Volume:				
Priority Mail Services[1]	307	355	668	779
Parcel Services[2]	820	866	1,780	1,888
First-Class Package Services[3]	520	509	1,025	1,094
Package Services	125	136	262	278
Total Shipping and Packages volume	**1,772**	**1,866**	**3,735**	**4,039**

[1] Includes *Priority Mail, Priority Mail Express* and *USPS Retail Ground.*

[2] Includes *Parcel Select, Parcel Return,* and *Marketing Mail Parcels.*

[3] Includes *First-Class Package Services - Retail* and *First-Class Package Services - Commercial.*

Total market-dominant mail volume was higher over the period than a year ago, driven by increased post-pandemic Marketing Mail activity, but – continuing historic trends – all classes were still lower than pre-pandemic PQ II of FY 2019. Meanwhile, competitive product revenue was up only 1.3% as volume decreased by more than 5%. For the first half of FY 2022, competitive products' revenue and volume are both lower than for the first half of the previous year, continuing their retreat from mid-pandemic highs.

Expenses

Despite lower volume and decreased service standards (implemented at the start of the fiscal year on October 1), expenses continued to grow, driven primarily by employee compensation and benefits and an increased workers compensation liability.

	Three Months Ended March 31,		Six Months Ended March 31,	
(in millions)	2022	2021	2022	2021
Revenue:				
Operating revenue	$ 19,786	$ 18,890	$ 41,079	$ 40,385
Other revenue	16	15	27	18
Total revenue	**19,802**	**18,905**	**41,106**	**40,403**
Operating expenses:				
Compensation and benefits	12,675	12,321	26,075	25,600
Retirement benefits	1,905	1,789	3,821	3,580
Retiree health benefits	1,325	1,200	2,650	2,400
Workers' compensation	(783)	(1,260)	(125)	(1,538)
Transportation	2,361	2,344	5,201	4,945
Other operating expenses	2,930	2,561	5,614	5,115
Total operating expenses	**20,413**	**18,955**	**43,236**	**40,102**
(Loss) income from operations	**(611)**	**(50)**	**(2,130)**	**301**
Interest and investment income	10	7	20	15
Interest expense	(38)	(39)	(76)	(80)
Net (loss) income	**$ (639)**	**$ (82)**	**$ (2,186)**	**$ 236**

In all, total quarterly expenses outran revenue by $639 million (and $2.186 billion for the first half year), considerably worse than SPLY, regardless of the impact of the workers' comp liability. Higher compensation costs can be attributed to increased workhours, a larger complement of career employees, and the impact of generous wage increases agreed to by the USPS in contracts with its craft labor unions.

	Three Months Ended March 31,		Six Months Ended March 31,	
(in millions)	2022	2021	2022	2021
Compensation	$ 10,372	$ 10,043	$ 21,410	$ 20,975
Employee health benefits	1,311	1,285	2,626	2,608
Social Security	597	580	1,227	1,194
Thrift Savings Plan	319	310	655	602
Other	76	103	157	221
Total compensation and benefits	**$ 12,675**	**$ 12,321**	**$ 26,075**	**$ 25,600**

	Three Months Ended March 31,		Six Months Ended March 31,	
(in millions)	2022	2021	2022	2021
Highway	$ 1,420	$ 1,264	$ 3,157	$ 2,786
Air	827	915	1,783	1,828
International	106	153	240	307
Other	8	12	21	24
Total transportation expenses	**$ 2,361**	**$ 2,344**	**$ 5,201**	**$ 4,945**

Overall transportation costs were basically flat, though highway costs grew and air costs decreased as lowered service performance goals enabled a shift to slower ground transportation.

Regarding the *Postal Service Reform Act of 2022*, enacted April 6, the agency stated:

> "...as the legislation went into effect on April 6, 2022, it did not change the conditions surrounding the Postal Service's accounting for retiree health benefits as of March 31, 2022, and, therefore, has no impact on [PQ II] financial statements. The repeal of the prefunding for retiree health benefits and cancellation of the past due payments will be reflected as a reduction of $59.6 billion in the Retiree health benefits liability in the unaudited balance sheet as of June 30, 2022, and a benefit of $59.6 billion to net income in the unaudited statements of operations for the three and nine months ended June 30, 2022."

Despite the clear benefit of this legislative action, the USPS repeated past warnings of insolvency likely intended to justify maximization of future price increases:

> "The Postal Service continues to face systemic imbalances that make its current operating model unsustainable. ... As a result of these losses and its liquidity concerns, the Postal Service may not have sufficient liquidity to meet all of its existing legal obligations when due while also repaying its maturing debt and making the critical infrastructure investments that have been deferred in recent years."

PRC Opens Rulemaking on USPS Service Performance

As reported in the April 25 issue of *Mailers Hub News*, the Postal Service notified the Postal Regulatory Commission in an April 22 filing that it intends to revise elements of the service performance measurement process. Those changes would initiate measurement of reply mail, implement rule changes regarding the "long haul" exception, and standardize critical entry times for Periodicals.

The PRC formally noticed the filing (docketed as PI2022-3) in an April 26 order and, in another April 26 order, issued an *Advance Notice of Proposed Rulemaking to Revise Periodic Reporting of Service Performance* (docketed as RM2022-7. As the commission explained:

"In Docket No. RM2009-11, the Commission issued its initial periodic reporting requirements of service performance measurements under the PAEA. Since then, there have been a number of relevant modifications to those requirements as well as the systems used to measure service performance generally. Moreover, in FY 2019 and again in FY 2021, service performance reporting for many products that had previously been measured using external methods began to use the Postal Service's internal service performance measurement system.

"There have also been several significant changes to relevant service standards. Most recently, in FY 2021 the Postal Service modified its service standards for First-Class Mail and end-to-end Periodicals. Subsequently, the Commission explained that it intended to initiate a separate rulemaking proceeding to consider potential improvements to the existing service performance reporting requirements.

"Additionally, on April 6, 2022, the PSRA was signed into law. The PSRA imposed requirements on the Postal Service and the Commission that require consideration of changes to regulations. Specifically, the PSRA directs the Postal Service to develop and maintain a publicly available online 'dashboard' that provides weekly service performance data for Market Dominant products. ... It also mandates that the Commission provide reporting requirements for this Postal Service dashboard as well as 'recommendations for any modifications to the Postal Service's measurement systems necessary to measure and publish the performance information' located on the dashboard. ...

"In light of these developments, the Commission has initiated this docket in order to update the service performance reporting requirements codified in [its regulations]."

Modifications

In its order, the PRC outlined some of the changes it was proposing:

"... the Commission intends for the Postal Service to continue to provide on-time service percentage and variance data for each Market Dominant product. The Commission is seeking comment on the following specific potential new reporting requirements concerning its Market Dominant products.

"*First*, the Commission is considering requiring the Postal Service to report the average actual calendar days to delivery for all Market Dominant products. This information is often provided by the Postal Service in communications that it submits directly to the public for certain types of mail – for example, via press releases and election reports. This type of information is useful in that it is easily understood by the public and presents a picture of the actual service being provided at any given time.

"*Second*, the Commission intends to require the Postal Service to report root cause point impact data for all Market Dominant products. The term 'point impact' refers to the amount (number of percentage points) by which on-time performance decreased due to a specific root cause of failure. These data are useful in isolating significant drivers of delay for an individual product and have been previously provided by the Postal Service as part of the Annual Compliance Review proceedings. ...

"*Third*, the Commission intends to require the Postal Service to report the performance for each national operating plan target (also referred to as the 24-Hour Clock national clearance goals) for all Market Dominant products. These data are useful in isolating bottlenecks in processing that are causing the most significant negative service impacts on each product and have been previously provided by the Postal Service as part of the Annual Compliance Review proceedings.

"*Fourth*, the Commission intends to create reporting requirements for the quality of service for all of the Postal Service's nonpostal products ... .

"*Fifth*, the Commission is considering requiring the Postal Service to regularly report: (a) mail excluded from measurement, disaggregated by reason(s) for exclusion; and (b) mail volumes measured and unmeasured by Full Service Intelligent Mail barcode (IMb). In Docket No. PI2016-1, the Commission invited public comment on issues related to the quality and completeness of service performance data measured by the Postal Service. ... In response, several commenters expressed concerns about the quantity and impact of mail excluded from Postal Service measurement. ... As a result, the Commission required the Postal Service to regularly report certain exclusion information, finding that this information would 'enhance the quality and completeness of service performance data.' ... The Commission invites comments on whether to codify those requirements and if so, whether any modifications to these requirements is warranted.

"The Commission also seeks comment on how best to require the Postal Service to disaggregate service performance data for the aforementioned subjects. The Commission requires product-level data in order to analyze the quality of service as part of its Annual Compliance Determination. ... In addition, data disaggregated below the product level should align with the Postal Service's service standards in order to allow the Commission to monitor the Postal Service's level of achievement of its service performance targets. Therefore, the Commission invites comments on whether the reporting rules in 39 CFR part 3055, subpart B, should directly cross-reference the Postal Service's service standards, contained in 39 CFR 121.1 *et seq.*, thus obviating the need for the Commission to revise its regulations whenever the Postal Service amends its service standards. The Commission also invites comments on how best to align the reporting requirements geographically.

"The Commission also plans to update the terminology used in its requirements where it has become outdated – for instance, with regard to class and product names and performance measurement systems. The Commission invites suggestions as to what specific terminology should be updated and how to do so."

The PRC also invited comments on the Postal Service's Online Dashboard:

"The Commission is also seeking comments on implementing the PSRA's new online dashboard mandate. As explained above, the PSRA requires that the Postal Service develop an online dashboard 'that provides performance information for market-dominant products that is updated on a weekly basis.' ... In regards to this Postal Service dashboard, the Commission shall provide 'requirements for the Postal Service to publish nationwide, regional, and local delivery area performance information' that are consistent with the organizational structure of the Postal Service, 'reflect the most granular geographic level of performance information appropriate for the Postal Service to publish,' and include

> 'performance information for different time periods, including annual, quarterly, monthly, and weekly segments.' ... The Commission shall also provide 'recommendations for any modifications to the Postal Service's measurement systems necessary to measure and publish the performance information' for the Postal Service's dashboard. ... With these statutory provisions in mind, the Commission invites comments on what specific data should be required of the Postal Service and any recommended corresponding revisions to the Postal Service's measurement systems."

Public comments are due by June 22.

The rulemaking should occasion major enhancements to USPS accountability for its service. As has been previously reported, significant amounts of market-dominant mail volume are not "in measurement" and, therefore, not reflected in the service scores reported quarterly by the USPS. Meanwhile, the agency has been issuing weekly press releases boasting ever-improving service without explaining the basis for the claims or the universe of mail represented.

After the USPS modified its organizational structure in 2020, the agency unilaterally reduced the granularity of its reporting from 67 districts and seven areas to 50 districts in four areas. However, the PRC noted that it had not approved the change and ordered the previous format restored, eliciting moans from the Postal Service about the burden of maintaining reports under the prior structure.

Although the USPS currently reports only what's required and when, it showed the ability to provide more frequent data under court orders issued prior to the 2020 elections out of concern that ballots were not getting proper service.

Given that the Postal Service often cites its use of data in managing operations, and clearly gathers more internal performance information than it chooses to share, the agency should not have any major problems in either organizing that data at a reasonable level of granularity or in reporting it more frequently that six weeks after the close of a quarter. Nonetheless, if history is a guide, the USPS will assert that any reporting requirements greater than those now in place will cause costly and burdensome exertion – which essentially translates into a simple unwillingness to be transparent with its customers who are paying ever more for its service.

Postal Service Sued Over NGDV Purchase

As reported by *The Washington Post* on April 28, the Postal Service has been sued in US District Court for the Northern District of California by a coalition of attorneys general from sixteen states (California, Connecticut, Delaware, Illinois, Maine, Maryland, Michigan, New Jersey, New Mexico, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, Vermont, Washington), the District of Columbia, New York City, and Bay Area Air Quality Management District, Earthjustice, and the Natural Resources Defense Council.

The suit "alleges the agency conducted its analysis to retroactively justify its procurement decision." The group hopes to block the agency's potential purchase of 148,000 conventionally-powered Next Generation Delivery Vehicles over the next decade.

Poor analysis

The complainants allege that the agency "vastly underestimated" the vehicles' costs and adverse ecological impact, claiming that the USPS "relied on faulty assumptions and miscalculations" to support its choice of "gas-powered vehicles that get 8.6 mpg, which is only incrementally better than the 30-year-old vehicles now in use."

The article noted that "regulators from the Environmental Protection Agency and White House Council on Environmental Quality have found serious deficiencies with the Postal Service's environmental study. They said the agency significantly underestimated the cost of the gas-powered vehicles ... and how their emissions could worsen the climate crisis."

California AG Rob Bonta stated "Once this purchase goes through, we'll be stuck with more than 100,000 new gas-guzzling vehicles on neighborhood streets … for the next 30 years. ... We're going to court to make sure the Postal Service complies with the law and considers more environmentally friendly alternatives before it makes this decision."

"'The crux of this case is that the Postal Service performed its [environmental] analysis too late, and even the analysis it did prepare was incomplete, misleading, and biased against cleaner vehicles,' Earthjustice attorney Adrian Martinez wrote in his filing. The group is suing on behalf of the Sierra Club, Center for Biological Diversity, and Clean Air Now."

"'What we're asking the court to do is make them go back and redo the environmental analysis,' said Frank Sturges, an attorney for NRDC. 'What the Postal Service actually buys, who they contract with, is a decision that should come out of the analysis after a victory in our case.'"

The Post added that the United Auto Workers union joined NRDC's suit, filing in federal court for the Southern District of New York. The union also has objected to Oshkosh's decision to build the NGDVs in a new non-union factory in South Carolina rather than its unionized plant in Wisconsin.

The USPS responds

The *Post* noted that a USPS spokesperson emailed a statement that the agency "conducted a robust and thorough review and fully complied with all of our obligations under [environmental law]." Meanwhile, in an interview last month, PMG Louis DeJoy, with typical dismissiveness to critics, stated that "'the economics that my team has come up with' are sound and support his agency's purchase plan. 'That is the math that we are going with.'"

DeJoy has claimed the agency will buy more electric trucks if Congress allocates the money or if USPS finances improve. A spending package proposed by the president included $6 billion for electric postal trucks and battery chargers, and his 2023 budget proposal includes $300 million for electric mail vehicles and charging stations. However, even with the enactment of the *Postal Service Reform Act of 2022*, which relieved the USPS of $107 billion in past-due and future debts, DeJoy has shown no indication that any help is enough.

"DeJoy told *The Post* in March that the Postal Service did not have enough knowledge or experience with electric vehicles when he took office in June 2020 to pursue more EVs in the truck procurement. In the meantime, he said, the agency is running trucks that do not have air bags or air conditioning and have been known to catch fire after years of overuse. 'We needed to buy trucks.'"

USPS Announces Changes for Competitive Products

In a May 6 filing with the Postal Regulatory Commission, the Postal Service announced planned changes to competitive products that, if favorably reviewed by the PRC, would take effect on July 10, 2022. Unlike most such filings, this one has virtually no changes to prices; as stated by the USPS in the Governors' Decision authorizing the filing:

"**Priority Mail**. The existing structure of the Priority Mail Retail, Commercial Base, and Commercial Plus price categories is maintained. No price changes are proposed, but classification changes are made to increase insurance to $100 for Priority Mail and to extend the inclusion of $100 in insurance to Priority Mail Returns. Eligibility requirements for Commercial Plus Cubic pricing are being removed, so that all commercial customers can utilize Priority Mail cubic pricing.

"**Parcel Select**. Cubic pricing will be introduced for the Parcel Select Ground price category. No other price or classification changes are proposed for the Parcel Select product, and the existing structure is maintained.

"No other price or classification changes for Domestic Products are being made.

"**International Ancillary Services and Special Services**. Prices for Outbound International Insurance will be increased about 55 percent on average to ensure adequate cost coverage, in response to recent directives from the Postal Regulatory Commission (PRC) in its FY 2021 Annual Compliance Determination (ACD) to take corrective action in this regard in relation to Outbound International Insurance's failure to cover its costs in FY 2021. Prices for International Money Transfer Service (IMTS) - Outbound, which includes international Postal Money Orders and Electronic Money Transfer Service, will increase by about 305 percent, in response to a PRC directive in the FY 2021 ACD after a finding that !MTS-Outbound did not cover its costs.

"No other price or classification changes for International Products are being made."

In an *Industry Alert* issued later in the day, the USPS provided charts illustrating the planned cubic prices.

- **Priority Mail Commercial Base Cubic Prices**

Cubic Tier	Zone L, 1, 2	3	4	5	6	7	8	9
Tier 1	$7.54	$7.81	$8.05	$8.37	$9.18	$9.77	$10.43	$18.56
Tier 2	$8.02	$8.20	$8.49	$9.12	$10.96	$11.62	$12.67	$25.09
Tier 3	$8.25	$8.62	$9.01	$10.03	$13.48	$15.22	$17.93	$34.46
Tier 4	$8.37	$8.85	$9.57	$11.83	$15.92	$18.73	$21.59	$42.67
Tier 5	$8.50	$9.07	$10.04	$13.18	$17.79	$22.31	$25.74	$51.21

- **Parcel Select Ground Cubic Rates**

Cubic Tier	Zone L, 1, 2	3	4	5	6	7	8
Tier 1	$6.86	$7.11	$7.29	$7.42	$7.64	$8.09	$8.45
Tier 2	$7.26	$7.60	$7.87	$8.08	$8.98	$9.57	$10.12
Tier 3	$7.31	$7.70	$8.06	$8.55	$10.48	$11.01	$11.64
Tier 4	$7.40	$7.87	$8.42	$9.53	$11.47	$12.14	$12.76
Tier 5	$7.51	$8.08	$8.81	$10.23	$12.16	$12.93	$13.66
Tier 6	$7.63	$8.40	$9.26	$11.72	$12.68	$13.45	$14.15
Tier 7	$7.99	$9.09	$9.73	$12.56	$13.01	$13.91	$14.84
Tier 8	$8.21	$9.73	$10.93	$12.91	$13.48	$14.40	$15.50
Tier 9	$8.87	$10.21	$11.68	$13.14	$13.90	$15.09	$16.42
Tier 10	$9.39	$10.74	$11.92	$13.54	$14.33	$16.10	$17.68

OIG Evaluates USPS Overtime Administration

An April 29 audit report by the USPS Office of Inspector General, *Overtime Administration System*, illustrated another example of management failing to us a tool the agency provided, and the consequences. As the OIG explained,

"... According to union contracts, employees may request to have their names placed on the Overtime Desired List (OTDL). Managers and supervisors select employees from the OTDL when there is a need for overtime and select employees with the necessary skills in order of seniority on a rotating basis or based on equitability, depending on the craft. To aid in managing overtime, the Postal Service implemented OT Admin.

"OT Admin, implemented nationwide in fiscal year (FY) 2015, is a web-based application designed to simplify the administration and use of the OTDL. The application's intended goals are to assist managers and supervisors in administering and tracking overtime for craft employees. OT Admin is also designed to help users assign overtime more efficiently and consistent with appropriate collective bargaining agreements and local memoranda of understanding (MOU) while aiding in reduction of overtime grievances. OT Admin tracks employee workhours, overtime, and make-up overtime and alerts supervisors when an employee nears eight hours in a service day. OT Admin provides details on employees willing to work overtime on different tours, overtime opportunities, and overtime hours used. ...

"Our objective was to assess whether OT Admin was achieving its intended goals to help managers and supervisors efficiently and consistently assign overtime. ..."

The OIG found that

"... overall, when used, OT Admin aids in efficiently and consistently assigning overtime when managers and supervisors use the application in accordance with guidance. However, we found that managers and supervisors did not always use OT Admin to manage the OTDL. ... Based on our interviews, managers and supervisors did not use OT Admin because it was not required and was only an internal best practice. ... Further, managers and supervisors at the facility level stated that they were not always encouraged by their installation manager to use OT Admin. ... Managers and supervisors did not use OT Admin to assign overtime because they were either unfamiliar with the application or did not complete training."

The OIG offered three recommendations:

- "... assess who should be required to use the Overtime Administration System, develop and issue guidance to required users, and provide initial training or refresher training to all required users and track completion of the training;
- "... develop a process to ensure the Overtime Administration System contains accurate overtime data, to include timely updates of the Overtime Desired Lists and overtime requirements from local memorandums of understanding; [and]
- "... assess the feasibility of conducting system enhancements to capture Overtime Administration System historical utilization records and percentages by facility and ensure records are maintained to assess the overall effectiveness of the system."

The OIG noted that "management disagreed with all of the recommendations," a position the OIG considered "nonresponsive" to its findings.

US to Co-chair UPU Taskforce

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At a meeting of the US State Department's Federal Advisory Committee on International Postal and Delivery Services (IPODS), the Department asked for comments from the private sector on the potential structural reform of the Universal Postal Union (UPU), including allowing broader participation of private-sector organizations at the UPU.

The US plans to put forward a substantial proposal, rather than a statement of principles. The proposal will contain a menu of options according to Stuart Smith, International Postal Affairs and Designated Federal Officer at the State Department. Smith will represent the US position and present the US proposal.

The US role

In October 2021, the US and Algeria were selected as co-chairs of the UPU taskforce charged with recommending a path forward to reform the administration of the UPU and to open the UPU to organizations beyond the member countries and their designated postal operators.

David Brown of the State Department's Office of Specialized and Technical Agencies, will be the co-chair on behalf of the US. He has stated that he intends to act impartially and openly in this role.

A discussion draft on UPU reform and opening was submitted to "the interagency" earlier this year. An "interagency" is a committee or discussion group of representatives of relevant US departments and agencies to consult and comment on a US position. (There are many such groups; their composition varies with their purpose.) This interagency group includes, among others, representatives of the USPS, Customs and Border Protection, the Treasury, the Department of Commerce, and, of course, the State Department. This group has been unable to agree and no interagency approval has been given for a US approach.

That said, the State Department intends to proceed with a fact-based approach that takes into consideration fair treatment of legacy postal operators and the effects of the Universal Service Obligation (USO) on designated postal operators. (In many countries, competitors to the designated operator provide delivery in limited areas.) They will address 1) institutional reform, 2) opening to the broader postal sector, and 3) continuing reform. Both Brown and Smith will meet with regional postal unions, foreign postal operators, government representatives, and other stakeholders as this process moves forward.

Opposition

Considerable opposition – both to reforming and to opening participation in the UPU – exists among the 192 member countries who will vote on any proposals. Some of this is based on preservation of the customs treatment and other advantages exclusive to designated postal operators, including some protections against legal action in certain situations that are not enjoyed by private carrier companies. Other objections are more nuanced and esoteric but, if expanded to private carriers, would eliminate some of the advantages designated operators have enjoyed.

Since postal operators in many countries are no longer government owned, creating an advantage for one operator over another has become more problematic. Although the USPS is a government agency with no private ownership, US law requires that the US government should provide a level playing field without advantage to the USPS or other government entity over private businesses.

There are potential impacts on US service providers and mailers but, of course, specifics will depend on the details of a final agreement that would pass at a UPU Extraordinary Congress in 2023. The primary potential benefits may be

- access to preferential inbound rates to foreign countries;
- ability to use postal documentation and processing for items sent to foreign countries;
- greater access to UPU deliberations, documents, and information; and
- ability to meet with, and influence, UPU voting members on decisions effecting international mail.

Other potential benefits are more esoteric, such as International Mail Processing Centre (IMPC) code assignments; input to USPS standards for documentation, packaging, EAD, etc.; and the ability to participate in committees on IT solutions, digitization, and data protection.

Please contact Merry Law (*mlaw@worldvu.com*) if you would like to know more or would like to provide comment to the State Department.

OIG Examines Delivery Trends

In a white paper released April 19, *Trends in New Delivery Points*, the USPS Office of Inspector General "reviewed Postal Service policies related to setting up new delivery points, the type of delivery available at new addresses, and the removal of delivery points." The OIG noted that:

> "Since FY 2011, the Postal Service added a total of 13.2 million active addresses to the network, averaging 1.3 million per year. In FY 2021, the network grew by 1.9 million delivery points from the year before, more than the total populations of Phoenix or Philadelphia. However, delivery point growth did not occur evenly across the country. The south and west experienced more growth than other parts of the US, with some states, such as Utah, Idaho, North Dakota, and Texas, adding delivery points at more than double the national average. ...
>
> "Centralized delivery points increased by 23% since FY 2011, driven by growth in cluster box units (CBUs). Curbside delivery points grew 8%, and other delivery points – which includes door deliveries – remained stable. The Postal Service actively promotes centralized delivery at new addresses because it is less costly to deliver mail to a centralized location than to a curbside or door mailbox. The Postal Service estimated that on city routes in FY 2020, each door delivery point costs $224 annually, a curbside delivery point costs $198, a CBU delivery point costs $141, and a centralized delivery point other than a CBU costs $100. While CBU and centralized delivery points are less costly, changes in the mail mix are making these cost distinctions less clear. .. Increasing package volumes may erode some of the cost savings of centralized delivery, as packages that do not fit into a centralized receptacle will need to be delivered to a customer's door.

"Our research highlighted opportunities to improve the process for establishing new delivery points. Specifically, clarifying CBU maintenance ownership can help alleviate potential confusion over who is responsible for maintenance and repair. In addition, the Postal Service can establish permanent growth manager positions and standardize delivery point growth management across delivery units and districts. ... Increasing the percentage of centralized delivery points can also help contain the costs of rural carrier pay, who are paid based both on the number and type of delivery points on their routes. ..."

Delivery points

The OIG explained the distinctions the USPS makes among delivery points:

"... The status of delivery points is categorized in two ways, depending on the specific circumstances of each point. The categories are "possible" (which are comprised of active and inactive delivery points), and "no-stat."

- **Possible delivery points** include all active and inactive addresses.

  Active delivery points are occupied addresses or addresses that have been vacant fewer than 90 days either on rural or city routes. Nearly 90% of delivery points in the Postal Service's network are active.

  Inactive delivery points are eligible to receive mail, but do not actually receive any mail. They can include rural addresses that receive mail at a PO Box instead of a street address (known as a "PO Box throwback"), or city delivery points vacant for more than 90 days.

"For a structure with multiple addresses, such as an apartment building, each individual address counts as a possible delivery if it has its own mail receptacle. All possible delivery points on a carrier's route are listed in the route's edit book, which carriers use to document proposed status changes to delivery points.

- **No-stat delivery points** are not eligible to receive mail and are not counted as possible delivery points. No-stat delivery points include a broad range of scenarios, such as demolished structures or those under construction. No-stats also includes addresses replaced by another address (for example, if a business in a shopping center expands into the adjacent suite), rural addresses vacant for more than 90 days, addresses that refuse mail delivery, or obsolete addresses flagged for deletion. In FY 2021, no-stat delivery points comprised 4% of all delivery points."

The OIG noted that

"... 'other' delivery points, which are primarily door and sidewalk deliveries, remained nearly unchanged since FY 2011. ... The stability in [that number] aligns with the Postal Service's policy to not approve these types of delivery points except in rare circumstances. However, despite the strong discouragement of new door delivery points, 'other' delivery points increased in 21 states and the District of Columbia over the past decade. ...

	Delivery Points		% Growth				
State	FY11	FY21	Overall	Curbside Delivery	Central-ized Del	CBU Delivery	Other Delivery
Alabama	2,059,218	2,265,789	10%	11%	12%	23%	-4%
Alaska	199,877	220,630	10%	6%	3%	23%	0%
Arizona	2,498,693	2,917,574	17%	8%	41%	10%	3%
Arkansas	1,216,760	1,352,999	11%	11%	10%	45%	-3%
California	13,710,922	14,684,555	7%	1%	6%	24%	1%
Colorado	2,066,157	2,416,358	17%	6%	24%	39%	1%
Connecticut	1,478,272	1,554,805	5%	4%	11%	23%	1%
Delaware	383,207	441,569	15%	16%	-2%	43%	1%
Dist of Columbia	296,355	351,936	19%	-22%	31%	30%	3%
Florida	8,553,518	9,862,323	15%	11%	17%	40%	-3%
Georgia	3,923,255	4,447,223	13%	10%	17%	49%	-3%
Hawaii	444,964	482,671	8%	4%	14%	29%	-8%
Idaho	582,868	718,399	23%	16%	21%	83%	2%
Illinois	5,067,973	5,307,460	5%	4%	9%	23%	0%
Indiana	2,687,244	2,900,567	8%	9%	-1%	41%	-2%
Iowa	1,235,495	1,346,097	9%	4%	9%	88%	-2%
Kansas	1,164,036	1,243,965	7%	10%	7%	22%	-6%
Kentucky	1,817,931	1,964,988	8%	9%	5%	23%	-1%
Louisiana	1,912,315	2,089,450	9%	12%	11%	22%	0%
Maine	551,556	614,296	11%	13%	16%	26%	2%
Maryland	2,348,223	2,537,997	8%	5%	11%	25%	0%
Massachusetts	2,744,270	2,935,304	7%	7%	14%	29%	1%
Michigan	4,203,458	4,426,298	5%	6%	2%	30%	-1%
Minnesota	2,211,903	2,427,421	10%	6%	21%	36%	0%
Mississippi	1,205,398	1,301,434	8%	9%	6%	21%	-3%
Missouri	2,549,090	2,754,778	8%	9%	9%	36%	-2%
Montana	369,946	427,954	16%	10%	1%	52%	0%
Nebraska	735,071	813,822	11%	7%	16%	41%	-3%
Nevada	1,054,788	1,255,027	19%	6%	18%	28%	4%
New Hampshire	530,180	585,103	10%	10%	17%	24%	2%
New Jersey	3,508,955	3,717,561	6%	4%	15%	24%	0%
New Mexico	740,776	799,240	8%	3%	21%	13%	0%
New York	7,442,684	7,873,845	6%	6%	10%	26%	0%
North Carolina	4,017,382	4,664,694	16%	11%	24%	71%	-3%
North Dakota	270,885	331,802	22%	12%	22%	102%	-4%
Ohio	4,960,664	5,223,449	5%	6%	9%	28%	-1%
Oklahoma	1,536,529	1,700,293	11%	16%	13%	19%	-4%
Oregon	1,576,944	1,759,551	12%	4%	27%	23%	0%
Pennsylvania	5,326,836	5,591,816	5%	5%	12%	26%	0%
Rhode Island	456,760	474,375	4%	6%	6%	17%	0%
South Carolina	1,976,127	2,345,900	19%	13%	29%	78%	-8%
South Dakota	309,175	356,297	15%	13%	13%	68%	-4%
Tennessee	2,746,371	3,111,662	13%	11%	24%	52%	0%
Texas	9,855,523	11,859,442	22%	13%	27%	51%	-1%
Utah	912,831	1,128,672	24%	7%	27%	63%	0%
Vermont	243,275	269,088	11%	11%	25%	24%	1%
Virginia	3,282,874	3,631,984	11%	9%	17%	24%	1%
Washington	2,734,451	3,130,658	14%	3%	19%	43%	-1%
West Virginia	717,016	762,198	6%	7%	7%	28%	-4%
Wisconsin	2,454,283	2,635,666	7%	8%	16%	31%	-1%
Wyoming	200,293	221,197	10%	9%	12%	23%	1%
Total	**126,156,993**	**139,351,460**	**10%**	**8%**	**15%**	**34%**	**0%**

"In FY 2021, delivery points on city postal routes made up 63% of all delivery points, while delivery points on rural routes made up 35%, and highway contract routes made up the remaining 2%. Despite increasing urbanization and declines in rural populations nationwide, since FY 2011 growth in rural route delivery points far surpassed growth on city routes. Rural delivery points grew by 19%, or 7.7 million delivery points. In contrast, city routes grew by just 6%, or 5.1 million delivery points. ..."

Of relevance to ratepayers, the OIG noted that mail density (total mail volume divided by total delivery points) decreased 29% since FY 2011, but the USPS "does not consider the number of no-stat or removed delivery points in the pricing formula." The OIG concluded by noting that "accurate data is important" because it "impacts the Postal Service's delivery operations planning" as well as "the quality of address-based products offered to customers."

OIG Examines Plant Consolidations

In an audit report released May 4, *Transfer of Mail Processing Operations from Selected Facilities*, the USPS Office of Inspector General examined the decade-old but unfinished process of consolidating mail processing operations into fewer facilities. In its opening summary, the OIG stated:

> "In 2011, the Postal Service announced its Network Rationalization Initiative (NRI) to align network processing facilities with declining mail volume through facility consolidations. Prior to implementing the consolidations, the Postal Service performed Area Mail Processing (AMP) feasibility studies as required by Postal Service policy. The purpose of an AMP feasibility study is to determine if there is a business case for relocating processing and distribution operations from one location to another. AMP feasibility studies evaluate service impacts, impacts on local customers and Postal Service staff, and analyze associated costs and savings. The NRI was to be completed in two phases: Phase I involved consolidating 141 mail processing facilities between 2012 and 2013, and Phase II started in 2015 and involved consolidating 82 facilities. However, in May 2015, the Postal Service announced that it would indefinitely suspend Phase II consolidations due to declining service scores. At the time of the suspension, only 17 Phase II facilities were completely consolidated, 21 were partially consolidated, and 44 had no consolidation activities.
>
> "... In April 2021, the Postal Service announced it would resume transferring mail processing operations from 18 selected facilities that were part of the previous Phase II consolidation efforts suspended in 2015. Specifically, the Postal Service said that due to declining mail volume, the Postal Service would relocate or remove unnecessary letter and flat sorting equipment as appropriate to make space for package processing. As of February 28, 2022, the Postal Service completed transfers from 13 facilities and had not provided an estimated completion date for the remaining five facilities."

Findings and recommendations

The OIG found that

> "The Postal Service does not have a policy that defines or explains how to complete operational mail moves or how it should conduct and retain data analysis related to cost savings or service impacts. ... While the Postal Service did complete project plans and individual implementations plans for the 18 mail moves, the plans did not account for all cost impacts or require retention of any supporting analysis. ... Additionally, the Postal Service did not complete updated AMP feasibility studies for eight facilities that met the definition of a consolidation before resuming the transfers. ... All 18 facilities were scheduled to be consolidated during the 2015 Phase II NRI and the Postal Service completed AMP feasibility studies for 17 of the 18 facilities back in 2011. However, after evaluating remaining mail operations at the 18 facilities along with the continual decline in mail volume and meeting with Division Directors and local management at the 18 facilities, the Postal Service determined they did not need to complete updated AMP feasibility studies before resuming the transfers. ...
>
> "We also found that management has not updated Handbook PO-408 [*Area Mail Processing Guidelines*] to be consistent with the organization's restructure and it includes obsolete roles such as Area Vice President. Without an updated handbook, the Postal Service is unable to effectively follow and implement AMP guidelines for future consolidations. ...
>
> "... When the Postal Service announced the transfers, it stated that mail moves would not result in layoffs of career employees. While the audit team found there were no layoffs of career employees, the employees were still impacted by the transfers by being reassigned to vacant positions at nearby facilities. ...

The OIG offered three recommendations:

- "... develop a policy that defines and provides guidance for executing operational mail moves, which includes the requirement to perform formal analysis of potential impact and identifying risks and opportunities.;
- "... implement Handbook PO-408, *Area Mail Processing Guidelines*, Section 2-1, when removing remaining mail processing equipment and operations from facilities; [and]
- "... revise Postal Service Handbook PO-408, *Area Mail Processing Guidelines*, to include a timeframe for implementing a consolidation after a feasibility study has been approved and to reflect the organizational restructure."

The OIG stated that management agreed with its first recommendation, partially agreed with the second, and disagreed with the third, and that it "considers management's comments responsive to the recommendations and corrective actions should resolve the issues identified in the report."

Deactivating[11] Facilities	Activating[12] Facilities	Operations Being Transferred	Remaining Operations at Deactivating Facilities	Date Transfer Competed
Bend, OR, CSMPC	Portland, OR, P&DC	DPS mail	Retail and Delivery	9/4/2021
Cape Girardeau, MO, P&DF	Saint Louis, MO, P&DC	DPS mail	Delivery	2/17/2022
Erie, PA, P&DF	Pittsburgh, PA, P&DC	DPS & Flat mail	Retail, Delivery, and Packages	9/8/2021
Gainesville, FL, P&DC	Jacksonville, FL, P&DC	DPS mail	Retail, Delivery, Flats, and Packages	10/27/2021
Grand Island, NE, P&DF	Lincoln, NE, P&DF	DPS mail	Retail and Delivery	10/25/2021
Grenada, MS, CSMPC	Jackson, MS, P&DC	DPS mail	Retail and Delivery	7/24/2021
Hattiesburg, MS, CSMPC	Mobile, AL, P&DC	DPS mail	Retail and Delivery	9/16/2021
Huntsville, AL, P&DF	Birmingham, AL, P&DC	DPS mail	Retail and Packages	TBD
Mid-Hudson, NY, P&DC	Albany, NY, P&DC	DPS mail	Retail and Packages	10/1/2021
Minot, ND, CSMPC	Bismarck, ND, P&DF	DPS mail	Retail and Delivery	8/13/2021
Norfolk, NE, P&DF	Omaha, NE, P&DC	DPS mail	Retail and Delivery	10/18/2021
North Bay, CA, P&DC	Oakland and San Francisco P&DCs	DPS mail	Retail and Packages	TBD
Paducah, KY, P&DF	Evansville, IN, P&DF	DPS mail	Retail and NMO	9/25/2021
Pocatello, ID, CSMPC	Salt Lake City, UT, P&DC	DPS mail	Retail and Manual Packages	TBD
Rock Springs, WY, CSMPC	Salt Lake City, UT, P&DC	DPS mail	Retail and Delivery	9/11/2021
Seattle, WA, East DDC	Seattle, WA, P&DC	DPS mail	Retail, Delivery, and Flats	TBD
Southern, CT, P&DC	Harford, CT, P&DC	DPS mail	BMEU, NMO, and Cross-Dock	TBD
Wausau, WI, P&DF	Green Bay, WI, P&DC	DPS mail	BMEU, NMO, and Cross-Dock	10/16/2021

Source: Postal Service announcement, Postal Service PostalPro web page, and U.S. Postal Service Office of Inspector General analysis of Postal Service data.
NOTE: Highlighted locations won't have any mail processing operations remaining after the transfer.

PMG Comments Send Messages – *Analysis*

The formal statements made for public (and media) consumption during the open session of a USPS Board of Governor meeting seldom provides much insight, but the remarks of Postmaster General Louis DeJoy during the Board's May 5 open session were more informative than average.

Backpatting

According to the official transcript released by the Postal Service, the PMG opened his remarks with a typical round of salutary comments and verbal backpatting, including thanks to Governor John Barger for his service (his term expired last December and, pending Senate confirmation, he'll soon be replaced by Derek Kan).

As would be expected, the PMG heaped praise on anyone and everyone who was involved in passage of the *Postal Reform Act of 2022*, including Congressional politicians, union leaders, mailing industry associations, and his executives in Government Relations, Law, and Communications.

He also praised efforts to improve service:

> "I want to point out that Market Dominant Products are in striking distance of 95% on time delivery and that the actual average days to deliver on all market dominant mail is 2.7 days. This means the speed to deliver is on average as fast as it was pre-pandemic, pre-First Class standard changes – and pre-Louis DeJoy. The Processing and Logistic team led by Isaac Cronkhite – as well as the Retail and Delivery team led by Dr. Josh Colin are laser focused – plant by plant – and delivery unit by delivery unit – to ensure that every piece we handle arrives at in your mailbox in a timely manner. A massive effort is well underway – to improve on poor operating practices that have been embedded into our system – over the past many years."

In that passage, DeJoy managed to kill three birds with one stone: repeating his agency's unsupported claims of improved service (while not mentioning that a "95" under the new service standards isn't the same as a "95" was previously); heaping praise on his senior staff; and taking another swipe at his predecessors for their perceived failings.

Looking ahead

Oozing optimistic self-confidence, the PMG claimed that

> "When we succeed at improving our cost of operations, product portfolio and service reliability, we will become the preferred delivery provider in the nation – not only by having the most assured service and being the most affordable … but also by being the most environmentally friendly method of delivering to each American Household – after all – we are going there anyway – the law requires us to – and we have room in our bags. ...
>
> "There is so much great and collaborative work being done throughout the organization to increase our operational precision and cost of performance … and therefore the quality of our service to our customers … and the American people."

Why he appeared to differentiate *customers* from *American people* wasn't clear.

The first hint of what lies ahead was about the network:

> "Over the next several months the Postal Service will finalize its plans to reinvent and modernize its network of processing centers and delivery units to achieve these objectives."

Exactly how the revised network will be organized and function remains ambiguous, as is the timeline for whatever changes are planned. Interestingly, the USPS Office of Inspector General just issued an audit report (see page 8) about the Postal Service's Network Realignment Initiative, begun ten years ago and still incomplete.

The USPS reportedly suspended the process in 2015 because of declines in service performance related to disruptions to the network. How similar consequences won't occur because of another round of closures wasn't explained. Likewise, union resistance and political interference that had delayed some facility consolidations wasn't mentioned, but likely will be a factor in any consolidation measures DeJoy might undertake as well, regardless of how devotedly he's been stroking leaders in both camps.

DeJoy next offered an oblique response to critics of his decision to buy a fleet of new delivery vehicles that will be mostly conventionally-fueled.

> "I want to remind our attendees that we made a decision and at this point, only purchased 50,000 vehicles – not 200,000 vehicles, and we will have 10,019 electric vehicles on the road by 2026. As I have previously said, we will continue to evaluate future orders of these vehicles with an ambition to enhance our electric delivery vehicle fleet – where appropriate. We are confident we made the best decision for the Postal Service considering our delivery profile, unique service requirements, employee welfare, current infrastructure conditions and financial condition while, like the rest of the nation – we begin the long journey of carbon reduction in our transportation operations.

Finally, DeJoy took aim squarely at commercial mail producers and their ratepaying customers:

> "... from my perspective, the mailing industry needs to be prepared for continued use of our authority to raise prices on market dominant products at an uncomfortable rate until such time as we have accomplished our objective of projecting a trajectory that shows us becoming self-sustaining – as required by law.
> "While our pricing decisions are ultimately made under the authority of the Board of Governors, in the near term, I will most likely be advocating for these increases. I believe we have been severely damaged by at least 10 years of a defective pricing model – which cannot be satisfied by one or two annual price increases – especially in this inflationary environment."

Though DeJoy might be a successful political operative (as shown by his influence in getting postal reform passed) and a competent logistician (derived from his years of experience running trucking companies), he continues to be proudly ignorant of the economic realities of commercial mail, indifferently flexing his pricing authority while driving away the business of any commercial ratepayer with an option to hard copy mail.

He continues to use just one lever – higher prices – without any effort to retain or build mail volume (except for packages) or adopt meaningful cost controls. He *judiciously* (his favorite word) placates the unions by adding career workers, agreeing to plush contracts, and avoiding even the thought of performance standards, thereby leaving untouched any opportunity to reduce the source of most USPS costs.

In his calculus, the mailing industry can't hurt him, so it's an easy target to bear the costs for staffing and redesigning a network for packages – and burnishing his image as the financial savior of the Postal Service. That doing so will drive away ever more traditional mail is of no concern to him.

USPS Seeks Reconsideration of PRC Order for BPM Parcels

In an April 28 filing, the Postal Service asked the Postal Regulatory Commission to reconsider a directive in the FY 2021 *Annual Compliance Determination* about the prices for bound printed matter parcels. The commission had ordered the USPS "to increase BPM Parcels' prices by at least 2 percentage points above the class average in each Market Dominant rate adjustment affecting the Package Services class through the issuance of the FY 2022 ACD [i.e., before the end of next March]."

In the price increase for market-dominant prices filed April 9, the USPS proposed increased prices for BPM parcels averaging 10.516%, well above the 8.511% increase for the Package Services class as a whole; concurrently, weight-based prices were standardized across zones. As a result of the overlain changes, some BPM parcel price cells decreased by under 1% to almost 73%, while others increased from just over 1% to almost 59%. (The category and class averages are rolled-up from the volume-weighted price changes to each rate cell.)

The motion

The Postal Service claimed that the PRC's order rested on "multiple errors of fact and law," chiefly because "the Commission exceeded its statutory authority by ordering a remedy without first finding that BPM Parcels violated any provision of [statute]." To support its position, the USPS added:

"... In contrast with Commission rules about underwater products in *above-water* classes, no Commission rule is directed at, or compels a remedy for, underwater products in underwater classes. Insofar as BPM Parcels' underwater status may contribute to the underwater status of the overall Package Services class, the Commission's carefully crafted ratemaking system provides remedies that do not include the measure mandated here. Indeed, because the directive merely compels a reallocation of fixed pricing authority within the class, it will not cause the class as a whole to generate more revenue and will not mitigate its underwater status. In short, the FY2021 *ACD* fails to establish that BPM Parcels' underwater status *per se* represents noncompliance with anything, and the only legal problem that the FY2021 *ACD* discusses in connection with BPM Parcels – the underwater status of the broader class – is not addressed by the Commission's intra-class rate-rebalancing directive. ...

"[Statute] does not entitle the Commission to override the Governors' statutory discretion over pricing based on a mere policy disagreement; the Commission can act only if and to the extent that it first finds a violation of law, whereupon its action is further limited to an 'appropriate' response. Here, the Commission merely recounted factual observations and proceeded directly to issuing a directive, while entirely overlooking the necessary intermediary step of enunciating a violation of law. ..."

It's unclear how a PRC reconsideration would impact the BPM rates that are part of the Postal Service's April 9 price filing, also currently under review by the commission.

March Financials: Improved by Workers Comp

The Postal Service's March revenue and volume figures were mixed, but higher employee costs again assured the bottom line numbers were in *red* ink. Market-dominant mail edged last March for both volume and revenue, with revenue helped by higher prices. Meanwhile, competitive product volume again slipped lower, continuing a downward trend. Transportation costs moderated, but a favorable swing in the workers' comp liability trimmed expenses by over $500 million. Overall, the agency lost $237 million in March, $244 million less than planned, but $421 million more than March 2021. For FY 2022 to date, the net loss is $2.186 billion, $1.265 billion less than planned, but $2.422 billion more than at the end of March 2021.

Volume and revenue

Total market-dominant mail volume for the month was up only 0.4% from March 2021. First-Class mail was 3.1% lower, while Marketing Mail was 4.6% better, and Periodicals was down 17.9%; only Marketing Mail was higher for the year-to-date, by 1.5%. Meanwhile, competitive products volume fell 9.6% for the month and 7.6% for the YTD. Total USPS volume was 10.896 billion pieces, down 0.2% from last March, while YTD volume, 66.639 billion pieces, was 0.9% lower.

- First-Class Mail: 4.197 bln pcs, -3.1%; 26.191 bln pcs, -2.3% YTD.
- Marketing Mail: 5.757 bln pcs, +4.6%; 34.663 bln pcs, +1.5% YTD.
- Periodicals: 280.6 mln pcs, -17.9%; 1.724 bln pcs, -8.3% YTD.
- Total Mkt Dom: 9.478 bln pcs, +7.5%; 52.682 bln pcs, -0.6% YTD.
- Total Competitive: 513.1 mln pcs, +0.1%; 2.893 bln pcs, -7.2% YTD.
- Total USPS: 10.300 bln pcs, +0.4%; 62.982 bln pcs, -0.5%.

As noted, market-dominant revenue was helped last August's price increase. Compared to SPLY, revenue from the market-dominant classes was up 4.0% for the month and 6.8% YTD, while revenue from the competitive products was 4.2% lower for March and down 3.9% for the YTD, all compared to SPLY. Total USPS revenue for the month ($6.769 billion) was 0.8% lower than SPLY but up 1.7% for SPLY YTD:

- First-Class Mail: $2.030 bln, +1.6%; $12.734 bln, +3.7% YTD.
- Marketing Mail: $1.358 bln, +11.4%; $8.238 bln, +11.0% YTD.
- Periodicals: $79.25 mln, -9.4%; $482.7 mln, +0.7% YTD.
- Total Mkt Dominant: $3.847 bln, +4.0%; $23.436 bln, +6.8% YTD.
- Total Competitive: $2.788 bln, -5.3%; $16.684 bln, -3.2% YTD.
- Total USPS: $6.769 bln, -0.8%; $41.079 bln, +1.7% YTD.

Expenses and workhours

Total "controllable" compensation and benefit costs ($5.264 billion) were 3.5% over plan for March and 4.6% higher than SPLY. Total expenses for the month ($7.026 billion) were 2.3% under plan but 7.8% higher than SPLY.

Workhour usage was 2.5% over plan for the month and slightly higher than SPLY, led by mail processing workhours that were 11.4% over plan and 5.7% higher than SPLY for the month. Total workhours YTD are 0.4% below plan and 1.0% below SPLY.

- Month's end complement: 649,716 employees (506,767 career, 142,949 non-career) **+0.95%** compared to last March (643,627 employees: 501,802 career, 141,825 non-career), but **0.99% more** *career* workers than a year ago.

Compared to early-pandemic March 2020, USPS volume is up 0.53% (market dominant volume 0.03% lower; competitive product volume up 19.31%). Meanwhile, workhours are up 6.81% and "controllable" compensation and benefits are 10.66% higher. Those figures again repeat the worrisome trends of more employees and higher costs, but lower volume. *All the numbers are on the next page.*

USPS Preliminary Information (Unaudited) – March 2022 [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**	**% Plan Var**	**% SPLY Var**
Revenue										
Operating Revenue	$6,769	$6,706	$6,826	0.9%	-0.8%	$41,079	$40,226	$40,385	2.1%	1.7%
Other Revenue	$15	$1	$15	NMF	0.0%	$27	$6	$18	NMF	50.0%
Total Revenue	$6,784	$6,707	$6,841	1.1%	-0.8%	$41,106	$40,232	$40,403	2.2%	1.7%
Operating Expenses										
Personnel Compensation and Benefits	$5,113	$5,441	$4,932	-6.0%	3.7%	$32,421	$33,059	$30,042	-1.9%	7.9%
Transportation	$803	$803	$816	0.0%	-1.6%	$5,201	$5,096	$4,945	2.1%	5.2%
Supplies and Services	$332	$286	$260	16.1%	27.7%	$1,647	$1,721	$1,553	-4.3%	6.1%
Other Expenses	$764	$648	$637	17.9%	19.9%	$3,967	$3,744	$3,562	6.0%	11.4%
Total Operating Expenses	$7,012	$7,178	$6,645	-2.3%	5.5%	$43,236	$43,620	$40,102	-0.9%	7.8%
Net Operating Income/Loss	**-$228**	-$471	$196			**-$2,130**	-$3,388	$301		
Interest Income	$5	$3	$2	66.7%	150.0%	$20	$15	$15	33.3%	33.3%
Interest Expense	$14	$13	$14	7.7%	0.0%	$76	$78	$80	-2.6%	-5.0%
Net Income/Loss	**-$237**	-$481	$184			**-$2,186**	-$3,451	$236		
Mail Volume										
Total Market Dominant Products [3]	10,300	10,048	10,256	2.5%	0.4%	62,982	60,479	63,274	4.1%	-0.5%
Total Competitive Products [3]	563	555	623	1.4%	-9.6%	3,456	3,415	3,740	1.2%	-7.6%
Total International Products	33	29	34	14.2%	-2.9%	201	208	235	-3.4%	-14.5%
Total Mail Volume	10,896	10,632	10,913	2.5%	-0.2%	66,639	64,102	67,249	4.0%	-0.9%
Total Workhours	104	101	104	3.0%	0.0%	604	602	610	0.3%	-1.0%
Total Career Employees	**506,767**		501,802		**1.0%**					
Total Non-Career Employees	**142,949**		141,825		**0.8%**					

MAIL VOLUME and REVENUE [1,2,4]	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	4,197,456	4,329,601	-3.1%	26,190,532	26,802,214	-2.3%
Revenue	$2,029,529	$1,997,014	1.6%	$12,733,992	$12,278,964	3.7%
Periodicals						
Volume	280,624	341,724	-17.9%	1,723,687	1,879,312	-8.3%
Revenue	$79,253	$87,513	-9.4%	$482,695	$479,126	0.7%
Marketing Mail (excl. all parcels and Int'l.)						
Volume	5,757,198	5,504,508	4.6%	34,663,233	34,150,862	1.5%
Revenue	$1,357,684	$1,218,845	11.4%	$8,238,327	$7,421,439	11.0%
Package Svcs. (ex. Inb'd. Intl Surf. PP @ UPU rates)						
Volume	43,928	51,121	-14.1%	262,259	278,325	-5.8%
Revenue	$77,451	$79,170	-2.2%	$452,746	$439,525	3.0%
All other Market Dominant Mail						
Volume	20,566	29,210	-29.6%	142,270	162,846	-12.6%
Revenue	$302,797	$314,755	-3.8%	$1,527,719	$1,324,590	15.3%
Total Market Dominant Products *(ex. all Int'l.)*						
Volume	10,299,772	10,256,164	0.4%	62,981,981	63,273,559	-0.5%
Revenue	$3,846,714	$3,697,297	4.0%	$23,435,479	$21,943,644	6.8%
Shipping and Package Services						
Volume	563,071	623,070	-9.6%	3,455,979	3,740,053	-7.6%
Revenue	$2,633,404	$2,749,406	-4.2%	$16,032,285	$16,685,546	-3.9%
All other Competitive Products						
Volume	-	-	0.0%	-	-	0.0%
Revenue	$154,967	$195,646	-20.8%	$652,100	$550,003	18.6%
Total Competitive Products *(ex. all Int'l.)*						
Volume	563,071	623,070	-9.6%	3,455,979	3,740,053	-7.6%
Revenue	$2,788,371	$2,945,052	-5.3%	$16,684,385	$17,235,549	-3.2%
Total International [5]						
Volume	32,825	33,928	-3.3%	201,200	235,474	-14.6%
Revenue	$134,034	$183,818	-27.1%	$958,834	$1,206,079	-20.5%
Total						
Volume [4]	**10,895,668**	10,913,162	**-0.2%**	**66,639,160**	67,249,086	**-0.9%**
Revenue	**$6,769,119**	$6,826,167	**-0.8%**	**$41,078,698**	$40,385,272	**1.7%**

EXPENSES OVERVIEW [1,2]	Current Period					Year-to-Date				
Dollars (Millions)	**Actual**	**Plan**	**SPLY**	**% Plan Var**	**% SPLY Var**	**Actual**	**Plan**	**SPLY**	**% Plan Var**	**% SPLY Var**
Controllable Pers. Comp. & Benefits [6,7]	$5,264	$5,086	$5,033	3.5%	4.6%	$31,078	$30,930	$30,242	0.5%	2.8%
RHB Unfunded Liabilities Amortization [8]	$83	$83	$75	0.0%	10.7%	$500	$500	$450	0.0%	11.1%
FERS Unfunded Liabilities Amortization [8]	$117	$117	$112	0.0%	4.5%	$700	$700	$672	0.0%	4.2%
CSRS Unfunded Liabilities Amortization [8]	$155	$155	$151	0.0%	2.6%	$929	$929	$908	0.0%	2.3%
Workers' Compensation [9]	-$506	$ --	-$439	NMF	15.3%	-$786	$ --	-$2,230	NMF	-64.8%
Total Pers. Comp. & Benefits	$5,113	$5,441	$4,932	-6.0%	3.7%	$32,421	$33,059	$30,042	-1.9%	7.9%
Total Non-Personnel Expenses	$1,899	$1,737	$1,713	9.3%	10.9%	$10,815	$10,561	$10,060	2.4%	7.5%
Total Expenses (incl. interest)	**$7,026**	$7,191	$6,659	**-2.3%**	**5.5%**	**$43,312**	$43,698	$40,182	**-0.9%**	**7.8%**

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	37,397	37,024	37,629	1.0%	-0.6%	217,271	217,966	220,684	-0.3%	-1.5%
Mail Processing	18,578	16,674	17,568	11.4%	5.7%	114,851	106,296	110,545	8.0%	3.9%
Customer Services & Retail	13,312	13,230	13,998	0.6%	-4.9%	77,764	78,976	81,598	-1.5%	-4.7%
Rural Delivery	19,852	19,267	19,492	3.0%	1.8%	112,962	111,699	112,656	1.1%	0.3%
Other	14,765	15,224	15,199	-3.0%	-2.9%	81,183	86,597	84,436	-6.3%	-3.9%
Total Workhours	**103,904**	101,419	103,886	**2.5%**	**0.0%**	**604,031**	601,534	609,919	**0.4%**	**-1.0%**

[1]/March 2022 had the same number of delivery days and retail days compared to March 2021. YTD has the same number of delivery days and 1.5 more retail days compared to SPLY. [2]/Numbers may not add due to rounding and/or adjustments. Percentages calculated using unrounded numbers. [3]/Excludes all International. [4]/The sampling portion of the RPW system is designed to be statistically valid on a quarterly and annual basis. [5]/Includes Current Period Market Dominant Volume of 19,785 and Revenue of $26,556; SPLY Market Dominant Volume of 13,332 (+48.4%) and Revenue of $15,238 (+74.3%). Also includes Current Period Competitive Volume of 13,040 and Revenue of $107,478; SPLY Competitive Volume of 20,596 (-36.7%) and Revenue of $168,580 (-36.2%). [6]/This amount includes cash outlays including administrative fees. [7]/This represents the accrual for normal RHB costs for current employees, based on the beginning of the fiscal year estimates. [8]/This represents the estimated OPM amortization expense related to the FERS and CSRS; the actual invoices will be received between June 2022 and October 2022. For PSRHBF, this represents the estimated Retiree Health Benefits amortization expenses of the unfunded liabilities. The actual invoice will be received between June 2022 and October 2022.. [9]/This represents non-cash adjustments: the impact of discount and inflation rate changes and the actuarial revaluation of new and existing cases. NMF = Not Meaningful Figure, percentages +/- 200% or greater.

All the Official Stuff

Federal Register

Postal Service

NOTICES

April 25: Sunshine Act Meetings, 24593-24594.

PROPOSED RULES

[None].

FINAL RULES

[None].

Postal Regulatory Commission

NOTICES

May 2: Public Inquiry on Modification of Service Performance Measurement Plan, 25682-25683.

May 6: New Postal Products, 27196.

May 9: Competitive Postal Products, 27688.

PROPOSED RULES

May 2: Periodic Reporting, 25595-25598.

FINAL RULES

[None].

DMM Advisory

April 28: International Service Suspension Notice – Effective April 29, 2022.

April 28: International Service Resumption Notice – Effective April 29, 2022.

April 29: UPDATE 236: International Mail Service Updates Related to COVID-19.

May 3: UPDATE 237: International Mail Service Updates Related to COVID-19.

May 6: UPDATE 238: International Mail Service Updates Related to COVID-19.

May 6: US Postal Service Files Price and Classification Changes for Competitive Products and International Special Services.

Postal Bulletin (PB 22597, May 5)

- Effective **June 1**, Labeling Lists L001, L006, L007, L012, 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, 2022, effective date through the July 31, 2022, expiration date.
- Effective **May 5**, Publication 431, *Post Office Box Service and Caller Service Fee Groups,* is revised to include the changes noted.

USPS Industry Alerts

April 27, 2022

COVID-19 CONTINUITY OF OPERATIONS UPDATE – International Service Suspension Notice

[See the April 28 listing for COVID-19-Related International Mail Service Disruptions in the Special Section.]

April 27, 2022

COVID-19 CONTINUITY OF OPERATIONS UPDATE – International Service Resumption Notice

[See the April 28 listing for COVID-19-Related International Mail Service Disruptions in the Special Section.]

April 27, 2022

Centralized Accounting Processing System (CAPS) Retirement – Legacy Reporting

Please be advised that CAPS is now closed for use by Industry for payment to USPS for products and services. CAPS system access will only be available for Industry to access (download) Legacy Account Data and Reports until 4/30/2022. Beginning May 1, 2022, if CAPS Legacy Reporting Data is needed by customers, they must reach out to the MSSC helpdesk to retrieve Legacy reporting. CAPS Legacy Data will be available for 1 year and will end April 30, 2023. At that time no further actions will be available for former CAPS customers. To obtain CAPS Legacy Data beginning May 1, 2022, customers must contact the MSSC Helpdesk at MSSC@usps.gov or Call 1-877-672-0007 to obtain the requested CAPS Legacy Data.

April 27, 2022

Officer Announcements–Vice President, Business Development and Vice President, Business Solutions

Effective immediately, Postmaster General and Chief Executive Officer, Louis DeJoy has announced the appointments of Shibani S. Gambhir as Vice President, Business Development and Robert H. Raines Jr. as Vice President, Business Solutions. Shibani will lead the design and execution of the commercial sales strategy for a shipping portfolio of over $10 billion dollars. Shibani will directly drive growth with our largest enterprise and strategic accounts. She will also drive our commercial strategy across the entire organization, guiding how we sell the right solutions built on top of our world class assets to our increasingly complex customer base. Robert will be responsible for leading the strategic and tactical design of a suite of commerce solutions for external customers by leveraging Postal Service assets to generate revenue through the development, integration, and implementation of commerce solutions. Additionally, the Global Business portfolio is moving under the Business Solutions organization to better align international and domestic product offerings as we develop dynamic commerce solutions to meet the evolving needs of our customers, both domestic and international. Both Gambhir and Raines Jr. will report to Chief Commerce & Business Solutions Officer and Executive Vice President, Jacqueline Krage Strako.

April 28, 2022

2022 Personalized Color Transpromo Promotion Webinar

Please join the New Solutions Team for our 2022 Personalized Color Transpromo webinar on Wednesday, May 4, 2022 from 3:30 to 4:30 PM EST. There will be an in-depth presentation on the Personalized Color Transpromo Promotion including how to qualify, how to enroll, and more key details that will help you succeed with this promotion. No registration is required for this webinar and it will be recorded for your convenience. We look forward to your attendance. Click on the link below to join the informational webinar on May 4, 2022 from 3:30 to 4:30 PM EST: https://usps.zoomgov.com/j/1614261561?pwd=eXdxakdxUmdJOVVTenpYd05vdWs5dz09.

2022 Personalized Color Transpromo Promotion Registration. Registration for the Personalized Color Transpromo Promotion will open on May 15, 2022. The Promotion Period runs from July 1, 2022, to December 31, 2022. With the Personalized Color Transpromo promotion, you can utilize bills and statements as another customer touchpoint to showcase your offerings. This promotion helps you leverage your First-Class Mail to bring awareness to your marketing initiatives. You can highlight these messages and make them jump off the page using color to engage your customers. These personalized offerings let you tailor your messages to the recipient, helping to capture their attention. NEW - The discount for the Personalized Color Transpromo promotion is increasing from 2% to 3%. Capitalize on both techniques to make impressive mailpieces that stand out to your customers. To find out more about the 2022 Personalized Color Transpromo Promotion, please visit the PostalPro page here: https://postalpro.usps.com/promotions/2022-transpromo/requirements.

April 29, 2022

Mail Spoken Here – April 2022 Edition – IE&O Newsletter

Please enjoy the attached latest edition of Mail Spoken Here. Our USPS Industry Engagement & Outreach newsletter contains informative and important articles on the following topics: Making Progress - Delivering for America First-Year Report Issued; 'Bold' Future - Bloomberg Article Notes USPS Successes; 2022 National Postal Forum - Last Call for Online Registration Discounts; Price Changes - Forever Stamps to Rise by 2 Cents; First-Class Package Service - New Standards to be Implemented; Green Letter Days - Climate Change is Theme of Global Contest; PostalPro Main Menu Enhancements; New Stamps - Release Date, Location Updates; Isn't it Time You Joined MTAC?; Upcoming Events; And now, a Quick Glance Forward; *Federal Register* Notice Information; The Latest *Postal Bulletin*s. Thank you very much, from the USPS Mail Spoken Here team and IE&O. We're looking forward to seeing you all in Arizona at the NPF!

April 29, 2022

Executive Retirement Announcement – Larry Munoz

Larry Munoz, Vice President, Western Regional Processing Operations, has notified Postmaster General Louis DeJoy of his plans to retire from the Postal Service on April 29, after 36 years of service. During his time with the Postal Service, Larry was instrumental in leading the organization through its restructuring, which helped us stabilize and improve service, focus on the core aspects of our business, and establish clearer lines of authority and accountability. Larry was appointed to his role in 2020, and oversaw 146 processing facilities and more than 56,000 employees who processed and transported nearly 350 million letters and packages. Previously, he served as Vice President, Pacific Area, which included California, Hawaii, Guam, American Samoa, Saipan, and Rota. Managing 25 processing facilities and more than 2,000 retail and delivery units which employed more than 67,000 employees and processed and delivered mail to 17 million delivery points. Larry exemplifies the type of leadership that makes the Postal Service successful and will leave a legacy of exceptional performance through his motivation and employee engagement. We congratulate Larry and wish him a happy and healthy retirement.

April 29, 2022

Executive Detail Announcement – Todd Hawkins

Effective April 30, Postmaster General Louis DeJoy has announced the appointment of Todd Hawkins to the position of Acting Vice President, Processing Operations, Western Region. He will report directly to the Chief Logistics and Processing Operations Officer and Executive Vice President, Isaac Cronkhite. In this role, Todd will be responsible for overseeing 146 processing facilities and more than 56,000 employees who process nearly 350 million letters and packages each day. Todd has 35 years of service, including 28 years in management roles which brings a wealth of experience to the position. His previous roles include several Senior Plant Manager and District Manager positions, Manager Operations for the Eastern Area, and most recently, Senior Director of Division Processing Operations, Lakeshores and Westshore Division. Todd holds a Master of Business Administration degree and has completed various leadership courses and is a certified Lean Six Sigma Green Belt.

May 3, 2022

USPS Connect eCommerce to Enhance Solutions for Online Marketplaces and Shipping Platforms

The United States Postal Service today announced that it is launching USPS Connect eCommerce. "USPS Connect eCommerce makes it easier for online marketplaces and shipping platforms to work directly with the Postal Service and offer their customers access to discounted rates," said Jacqueline Krage Strako, Chief Customer and Business Solutions Officer for the United States Postal Service. As small and medium businesses grow and their shipping needs become more complex, they look to online marketplaces and shipping platforms for solutions. Through USPS Connect eCommerce, the Postal Service will best serve this growing customer base by offering them discounted rates. "A majority of e-commerce businesses are already working with online marketplaces and shipping platforms, and we expect that trend to continue," said Strako. "We are providing participating online marketplaces and shipping platforms the very best solution to drive growth merchants and the Postal Service." To learn more about USPS Connect eCommerce and its benefits, online marketplaces and shipping platforms should visit usps.com/connect-ecommerce.

May 6, 2022

Customer Signature Service

This Industry Alert supersedes the March 20, 2020, Industry Alert on the customer signature capture process. At that time, many interim measures were taken to reduce health risks during the COVID-19 pandemic. The change in our customer signature capture procedures was implemented on March 19, 2020. Effective March 31, 2022, this temporary modification to our procedures was rescinded, and all USPS delivery personnel must capture customers' signatures for special services mail requiring a signature. Customers must sign and accept all special services mail if a signature is required. Agents for businesses and residents can sign unless delivery is restricted to the named recipient. USPS employees can no longer perform the customer signature capture function for the recipient.

May 6, 2022

Business Customer Gateway eDoc Training Series – Postal Wizard and Intelligent Mail for Small Business Tool

The Postal Service will host bi-weekly webinars on utilizing the Business Customer Gateway (BCG) for electronic documentation (eDoc) and postage statement submission. The topics will alternate between using the Postal Wizard (PW) and Intelligent Mail for Small Business Tool (IMsb Tool) applications. Learn how to eliminate hard copy postage statements and submit Full-Service mail! Join us for the next session – using the IMsb Tool held on: Tuesday, May 10, 2022, at 1:00 PM EST. Bi-Weekly BCG PW and IMsb Tool training sessions: Meeting URL: https://usps.zoomgov.com/j/1615857192?pwd=dGVJTjlYNEFib2FGNmpJL2luZ2ZlZz09; Meeting ID: 161 585 7192; Password: 903345. If requested, enter your name and email address. Enter meeting password: 903345. 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.

May 6, 2022

Peer-to-Peer Networking Event at National Postal Forum

The National Postal Forum in Phoenix, Arizona begins in 9 days, and you don't miss the Peer-to-Peer networking event. The event starts at 2:30 PM in Room 224A on Wednesday, May 18, 2022, and will feature top postal and industry subject matter experts to answer questions, share best practices, and troubleshoot issues. This year's Peer to Peer subjects include: The Business Customer Gateway; The Business Service Network; CASS Cycle-O; Enterprise Payment System; FAST (Facility Access & Shipment Tracking); Geospatial Solutions for Data Analytics; Informed Delivery - Conducting Interactive Campaigns; Informed Visibility; International/Global; MTAC (Mailer Technical Advisory Council); Package Platform; PCC (Postal Customer Council); Periodicals/Non-profit; Seamless Acceptance; USPS Promotions – Incentive & Promotions for Mail. Maximize your ROI, or just stop by and meet with colleagues in the industry. Snacks and refreshments will be available, so join us!

May 6, 2022

US Postal Service Files Price and Classification Changes for Competitive Products and International Special Services

[See the related article on page 5.]

Calendar

To register for any webinar, go to MailersHubWebinars.com

May 15-18 – National Postal Forum, Phoenix (AZ)
May 17 – ***Mailers Hub Webinar***
June 12-16 – In-Plant Printing & Mailing Ass'n Conf., Buffalo (NY)
June 21 – ***Mailers Hub Webinar***
July 12-13 – Delivery Technology Advocacy Council mtg., Sussex (WI)
July 19 – Atlantic Area AIM Meeting
July 19 – ***Mailers Hub Webinar***
July 26-27 – MTAC Meeting, USPS Headquarters
August 4-6 – MFSA Conference, Dallas (TX)
August 16 – ***Mailers Hub Webinar***
August 16 – Southern Area AIM Meeting
August 24 – Central Area AIM Meeting
October 20 – Atlantic Area AIM Meeting
October 25-26 – MTAC Meeting, USPS Headquarters

Special Section: DMM Advisories and USPS Industry Alerts Related to COVID-19

These service disruptions affect Priority Mail Express International (PMEI), Priority Mail International (PMI), First-Class Mail International (FCMI), First-Class Package International Service (FCPIS), International Priority Airmail (IPA), International Surface Air Lift (ISAL), and M-Bag items. Unless otherwise noted, service suspensions to a particular country do not affect delivery of military and diplomatic mail.

April 28, 2022, *DMM Advisory*: International Service Suspension Notice – effective April 29, 2022
[Also issued as April 27, 2022, Industry Alert: COVID-19 CONTINUITY OF OPERATIONS UPDATE – International Service Suspension Notice]

The Postal Service will temporarily suspend international mail acceptance for certain destinations due to service impacts related to the COVID-19 pandemic. Effective April 29, 2022, the Postal Service will suspend international mail acceptance to **China** until further notice due to unavailable transportation. Customers are asked to refrain from mailing the following service to China until further notice: Priority Mail International (PMI). For already deposited PMI items entered prior to 4/29/22, the Postal Service will transport to destination and delays are to be expected. For deposited PMI items entered on or after 4/29/22, the Postal Service will endorse the items as "Mail Service Suspended – Return to Sender" and place them in the mail stream for return to sender. Due to COVID-19, international shipping has been suspended to many countries. According to DMM 604.9.2.3, customers are entitled to a full refund of their postage costs when service to the country of destination is suspended. The detailed procedures to obtain refunds for Retail Postage, eVS, PC Postage, and BMEU entered mail can be found through the following link: https://postalpro.usps.com/international-refunds. The Postal Service is closely monitoring the situation and will continue to update customers until the situation returns to normal. Please visit our International Service Alerts page for the most up to date information: https://about.usps.com/newsroom/service-alerts/international/?utm_source=residential&utm_medium=link&utm_campaign=res_to_intl.

April 28, 2022, *DMM Advisory*: International Service Resumption Notice – effective April 29, 2022
[Also issued as April 27, 2022, Industry Alert: COVID-19 CONTINUITY OF OPERATIONS UPDATE – International Service Resumption Notice]

Effective Friday, April 29, 2022, the Postal Service will resume acceptance of the following services destined to **New Zealand**: First-Class Package International Service (FCPIS); Commercial ePacket (CeP); International Priority Airmail (IPA) Packets; International Surface Air Lift (ISAL) Packets. This service resumption only affects the following mail classes: First-Class Package International Service (FCPIS), International Priority Airmail (IPA), International Surface Air Lift (ISAL), and Commercial ePacket (CeP) items. The suspension of the following services to New Zealand remains active until further notice: Priority Mail International (PMI) – suspended 4/1; Airmail M-bags – suspended 10/1; International Priority Airmail (IPA) M-bags – suspended 10/1; International Surface Air Lift (ISAL) M-bags – suspended 10/1. The Postal Service is closely monitoring service impacts related to the COVID-19 pandemic and will continue to update customers until the situation returns to normal. Please visit our International Service Alerts page for the most up to date information:
https://about.usps.com/newsroom/service-alerts/international/?utm_source=residential&utm_medium=link&utm_campaign=res_to_intl.

April 29, 2022, *DMM Advisory*: UPDATE 236: International Mail Service Updates Related to COVID-19

On April 29, 2022, the Postal Service received notifications from various postal operators regarding changes in international mail services due to the novel coronavirus (COVID-19).

Trinidad and Tobago *UPDATE*: Trinidad and Tobago Postal Corporation (TTPost) has advised that inbound and outbound commercial flights have resumed to and from Trinidad and Tobago. As a result, the receipt and dispatch of inbound and outbound mail (letter-post, parcel-post and EMS items) to and from Trinidad and Tobago have resumed as normal.

Myanmar *UPDATE:* Myanmar Post has advised that the restrictions regarding the processing of inbound and outbound mail (letter-post, parcel-post and EMS items) have been lifted and postal services have therefore resumed as normal as of April 17, 2022.

May 3, 2022, *DMM Advisory*: UPDATE 237: International Mail Service Updates Related to COVID-19

On May 3, 2022, the Postal Service received a notification from Canada Post, the designated operator of **Canada**, advising that, as of May 1, 2022, the on-time delivery guarantee has been reinstated and the previously declared force majeure for all international letter-post, parcel-post and EMS items has ended.

May 6, 2022, *DMM Advisory*: UPDATE 238: International Mail Service Updates Related to COVID-19

On May 6, 2022, the Postal Service received a notification from Poczta Polska, the designated operator of **Poland**, advising that, following the latest announcements by the Polish Government regarding the relaxation of public health measures throughout the country, most restrictions relating to COVID-19 have now been lifted. As a result, Poczta Polska is resuming postal operations across its network.

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