

Before the
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Performance Incentive Mechanism

Docket No. RM2021-2

RESPONSE OF THE PUBLIC REPRESENTATIVE
IN SUPPORT OF POSTAL SERVICE MOTION

On June 24, 2021, the Postal Service filed a motion to hold the current proceeding in abeyance until resolution of the pending appeals of Order No. 5763.¹ The Association of Postal Commerce (PostCom) has filed a statement supporting the Postal Service's Motion.² Both the Postal Service and PostCom point to the potential implications that an appellate court decision could have for a performance incentive mechanism.

The Public Representative submits that, at best, it would be premature and a potential waste of resources for this case to proceed under the current circumstances. Even if the pending review proceedings are resolved in favor of the Commission, developments currently underway could significantly affect the advisability or feasibility of adopting a performance incentive mechanism. Since this proceeding began, the Commission has made determinations that give the Postal Service significant additional rate authority;³ the Postal Service has filed a market dominant rate adjustment;⁴ the Postal Service has filed two proceedings in which it proposes important changes in its

¹ Motion of the United States Postal Service to Hold Proceeding in Abeyance, June 24, 2021 (Motion).

² Statement of the Association for Postal Commerce in Support of USPS Motion for Abeyance, June 25, 2021.

³ Docket No. ACR2020, Determination of Available Market Dominant Rate Authority, April 6, 2021.

⁴ Docket No. R2021-2, United States Postal Service Notice of Market-Dominant Price Change, May 28, 2021.

service standards;⁵ and the Postal Service has made noteworthy improvements in service performance as the country seeks to emerge from the depths of the pandemic.⁶ In addition, the initial effects of the Postal Service's 10-Year Plan⁷ announced after commencement of this proceeding to reduce costs, increase investments and improve performance are not yet available, but will likely affect the comments filed in this proceeding. Together, these developments could have a very significant impact on the need for a performance incentive mechanism, its structure, and its magnitude.

The Public Representative submits that under existing circumstances, it would be premature to attempt to address the questions presented in the order instituting this proceeding. To address those questions properly, some reasonable measure of clarity regarding the Postal Service's evolving circumstances is essential. That level of clarity does not currently exist.

Wherefore, the Public Representative supports the Postal Service's Motion.

Respectfully submitted,

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⁵ Docket No. N2021-1, United States Postal Service Request for an Advisory Opinion on Changes in the Nature of Postal Services, April 21, 2021; Docket No. N2021-2, United States Postal Service Request for an Advisory Opinion on Changes in the Nature of Postal Services, June 17, 2021.

⁶ See, e.g., Postal News, "USPS Service Performance Continues to Improve During the Third Quarter," June 17, 2021; Postal News, "USPS Service Performance Improvement Holds Steady in Latest Weekly Update," June 24, 2021.

⁷ Delivering for America, Our Vision and Ten-Year Plan to Achieve Financial Sustainability and Service Excellence, United States Postal Service, released March 23, 2021 (10-Year Plan)..