

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Michael Kubayanda, Chairman;
Ann C. Fisher, Vice Chairman;
Mark Acton;
Ashley E. Poling; and
Robert G. Taub

Annual Compliance Review, 2021

Docket No. ACR2021

ORDER GRANTING MOTION OF THE UNITED STATES POSTAL SERVICE
REQUESTING CLARIFICATION OF CERTAIN ACD DIRECTIVES

(Issued June 16, 2022)

I. INTRODUCTION

On June 14, 2022, the Postal Service filed a motion requesting clarification regarding several of the Commission directives in the *FY 2021 Annual Compliance Determination* (FY 2021 ACD).¹ For the reasons discussed below, the Commission grants the Motion.

¹ Motion of the United States Postal Service Requesting Clarification of Certain ACD Directives, June 14, 2022 (Motion).

II. PROCEDURAL HISTORY

On March 29, 2022, the Commission issued the FY 2021 ACD containing several findings, recommendations, and directives.² One of these directives required the Postal Service, periodically over FY 2022, to provide for each geographic Postal Service Division an evaluation of “the efficacy of its FY 2022 initiatives to improve on-time service performance results for First-Class Mail,” including “quantitative comparisons of the same period last year.” FY 2021 ACD at 166. Another directive required the Postal Service to provide “[t]he performance for each national operating plan target (also referred to as the 24-Hour Clock national clearance goals), presented for the nation, each Area, and each District” in a manner that would “allow comparability to prior fiscal years.” *Id.* at 167. The Commission permitted the Postal Service to “file a motion for clarification in Docket No. ACR2021,” should it prove necessary. *Id.* at 165.

The first report containing this information must be provided by June 27, 2022, and an updated report is due December 29, 2022. *Id.* at 166-167. On June 14, 2022, the Postal Service filed its Motion in which it requested that the Commission allow it to provide the requested comparative information under its current geographic organizational structure. Motion at 6.

Initially, the Postal Service explains that, beginning in late FY 2020 and continuing into FY 2021, it implemented a new organizational structure. *See id.* at 2. During this reorganization, the Postal Service divided its new Retail and Delivery Operations unit into 4 Areas and 50 Districts (rather than the previous 7 Areas and 67 Districts), and its new Logistics and Processing Operations unit into 2 Regions and 13 Divisions (rather than the previous 12 Divisions). *See id.* Specific to the Logistics and Processing Operations unit, the Postal Service explains that, while the 12-Division structure was in place during the first half of FY 2021, data for the 13-Division structure became available in the second half of that year. *Id.* at 2, 4.

² *See, e.g., Annual Compliance Determination, March 29, 2022, at Appendix A.*

Regarding the Division improvement initiatives, the Postal Service asserts that “[t]o provide accurate data to compare the on-time service performance results for First-Class Mail for Quarters 1 and 2 of FY 2021 to Quarters 1 and 2 of FY 2022, the data would need to reflect the same divisional structure.” *Id.* at 3. However, the Postal Service explains that converting the current data to the legacy 12-Division structure would be burdensome and “will not serve the Commission’s purpose of evaluating the efficacy of the Postal Service’s FY 2022 initiatives,” as these initiatives are based on a 13-Division structure. *Id.* The Postal Service therefore proposes to provide comparisons for the service performance results for First-Class Mail for Quarters 1 and 2 of FY 2022 with data from Quarters 3 and 4 of FY 2021, which are already available based on the Postal Service’s current 13-Division structure. *Id.* at 4.

In terms of the Commission directive regarding 24-hour national clearance goals, the Postal Service explains that:

As part of the Postal Service’ reorganization, in FY 2021 the Postal Service made three fundamental changes to its operations that impact the ability to respond to this directive: (1) the National Operating Plan (24-Hour Clock) was replaced by ‘Site-Specific Operating Plans’ (SSOP), (2) the way overall performance is calculated changed, and (3) performance is no longer assessed by Area and District but by Region and Division.

Id. at 4-5 (citation omitted). Because of these changes, the Postal Service asserts that, even if it could map the current data onto the legacy organizational structure, “the results would still not allow for comparability to prior fiscal years because of the change in the way overall performance is calculated” and would provide data that “no longer has utility.” *Id.* at 6. The Postal Service therefore requests that it be allowed to report its current SSOP performance under the existing Region and Division-structure. *Id.*

III. COMMISSION DETERMINATION

The Commission acknowledges that the Postal Service’s explanations appear reasonable on their face. Moreover, after reviewing the Postal Service’s data and

narratives that will be provided on June 27, 2022, should the Commission find it beneficial to request additional or improved information, it may conduct further inquiry and further clarify its directives. Therefore, the Postal Service's Motion is granted.

IV. ORDERING PARAGRAPHS

It is ordered:

1. The Motion of the United States Postal Service Requesting Clarification of Certain ACD Directives, filed on June 14, 2022, is granted.
2. The Postal Service shall provide, by June 27, 2022: (1) for each geographic Postal Service Division, quantitative comparison of the efficacy of its FY 2022 initiatives to improve on-time service performance results for First-Class Mail between Quarters 1 and 2 of FY 2022 and Quarters 3 and 4 of FY 2021; and (2) Site-Specific Operating Plans (SSOP) performance results by current Region and Division. The Postal Service shall provide an updated report by December 29, 2022.

By the Commission.

Erica A. Barker
Secretary