

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

ANNUAL COMPLIANCE REVIEW 2022

Docket No. ACR2022

MOTION FOR ISSUANCE OF INFORMATION REQUEST
STEVE HUTKINS
(January 19, 2023)

Pursuant to 39 C.F.R. § 3001.21(a), I respectfully ask the Presiding Officer to issue Information Requests to obtain responses to the questions and requests stated in this motion. I believe the responses would be beneficial to the Commission's annual evaluation of the Postal Service's compliance with the provisions of 39 U.S.C. § 3652 and with the related regulations regarding Customer Access to Postal Services as set forth in 39 C.F.R. § 3055.91. The following requests involve contract postal units, emergency suspensions, discontinuance announcements, collection point data, service performance, changes in the transportation network, and changes in the delivery network.

RATIONALE FOR PROPOSED REQUESTS

PREVIOUS REQUESTS

Questions No. 1 through 5 of the requests listed below were previously requested in the Motion that I submitted as part of the 2020 compliance review.¹ These include information about contract facilities, emergency suspensions, and collection point data.

¹ Docket No. ACR 2020, Motion for Issuance of Information Request, Steve Hutkins, January 19, 2021.

Contract facilities. In my ACR2020 motion, I asked the presiding officer to request lists of CPUs, CPOs and VPOs, and the Chairman subsequently issued Information Request No. 9, and the Postal Service subsequently provided these lists.²

Emergency suspensions: The information requested below has already been provided as of the end of FY2021 as part of last year's ACR. The two additional spreadsheets would update this earlier filing and supplement the Excel spreadsheet provided in ACR2022.³

Collection point data: The two spreadsheets requested below would update the information previously provided in response to ACR 2020, Chairman's Information Request No. 9.⁴

The remaining information requests cover topics not covered in previous motions: post office discontinuance announcements, service performance, changes in the transportation network, and changes in the delivery network.

DISCONTINUANCE ANNOUNCEMENTS

In its Annual Compliance Report, the Postal Service states that in FY2022 it closed 92 post offices and 26 stations and branches, a total of 118 discontinuances.

² See PRC Docket No. ACR2020, Chairman's Information Request No. 9, Questions 8-10, February 1, 2021, and Responses of the United States Postal Service to Chairman's Information Request No. 9, February 8, 2021, Questions 8-10 Offices, file "ChIR.9.Qs.8t10.FY20.P.Os."

³ See Docket No. ACR 2021, Responses of the United States Postal Service to Questions 1-21 of Chairman's Information Request No. 11, February 11, 2022, file "ChIR 11 Response Attachments," Tab "Suspended End of FY21." See also Docket No. ACR 2022, Library Reference FY22-33, Consumer Access to Postal Services, December 29, 2022, folder "FY22.33.Files," file "PostOfficesFY2022.xlsx."

⁴ See PRC Docket No. ACR2020, Chairman's Information Request No. 9, February 1, 2021, Question 11, and Responses of the United States Postal Service to Questions 1-23 of Chairman's Information Request No. 9, February 8, 2021, ChIR.9.Public.Attachments, Question 11 Collection Boxes, containing two files, "CPMS Blue Box Collection Schedule" and "CPMS Density."

ACR at 85.⁵ Of these, 34 were announced in Postal Bulletin.⁶ The remaining discontinuances, however, were not listed in the Bulletin.⁷ Under the “Post Office Changes” section of Postal Bulletin Issue No. 22606 (September 8, 2022), the following note appears:

Due to the extensive number of offices on the Discontinuance List, the changes will not be published in this Postal Bulletin. Instead, the link at the end of this article will take you to a document which includes the Post Offices which have been suspended for years. Customers in these communities are being served by nearby offices.

The listings in this document represent the administrative action of the Postal Service™ officially closing these offices. To access the list of affected Post Offices, visit postalpro.usps.com/POB_22606.⁸

The link goes to a page on the Postal Pro website announcing 57 discontinuances. The subsequent Postal Bulletin, Issue No. 22607 (September 22, 2022), has the same note with a link to a page on Postal Pro showing 28 discontinuances.⁹ A total of 85 discontinuances were thus not listed in Postal Bulletin during FY 2022.¹⁰

⁵ See Library Reference USPS-FY22-33, December 29, 2022, file “PostOfficesFY2022,” tab “Closed During FY22.”

⁶ Postal Bulletin, Issue No. 22599, June 2, 2022, contains 30 discontinuances; Issue No. 22600, June 16, 2022, contains 4 discontinuances.

⁷ Another version of the following discussion appeared on my Save the Post Office website. See “The Postal Service discontinues too many post offices for Postal Bulletin,” November 3, 2022, <https://www.savethepostoffice.com/postal-service-discontinues-too-many-post-offices-for-postal-bulletin/>.

⁸ Postal Bulletin, Issue No. 22606, <https://about.usps.com/postal-bulletin/2022/pb22606/pb22606.pdf>

⁹ Postal Bulletin, Issue No. 22607, <https://about.usps.com/postal-bulletin/2022/pb22607/pb22607.pdf>

¹⁰ The total number of discontinuances listed in either Postal Bulletin or Postal Pro is 119, as opposed to the 118 identified in LR USPS-FY22-33. The discrepancy appears to be due to the fact that the list in the Library Reference does not include the discontinuance of the post office in Ulysses, Kentucky, which is included in the Postal Pro list referenced in Postal Bulletin No. 22607.

The change in policy was noted by Bill McAllister in Linn's Stamp News.¹¹ In response to an inquiry from Mr. McAllister, USPS spokesman David Partenheimer explained that "increasing printing costs" led the Postal Service to devise an "alternative format" when the list of post office changes gets too large to print — those that exceed three pages or 27 changes. Instead of listing them in the Bulletin, the Postal Service will announce these discontinuances on Postal Pro. Mr. Partenheimer also stated that the new format does not apply only to discontinuances. Mail labeling items and even policy articles would also fall under the new policy. "Otherwise," he said, "our printing costs and page count would be too high."

Three issues of the Bulletin do refer readers to Postal Pro for lists of L201 Labeling Lists and EELs changes.¹² Aside from these, the only instances where the Postal Bulletin sends readers to Postal Pro is for information about Service Type Identifiers (STIDs) for Ballot Mail.¹³ For some reason, the Bulletin continues to contain many other long lists that exceed the three-page, 27-item limit.¹⁴

Discontinuance notices have been published in Postal Bulletin since its first issue on March 4, 1880.¹⁵ As discussed in the introduction to the online archive of the

¹¹ "Print 'Postal Bulletin' being streamlined to save printing costs," Bill McAllister, Linn's Stamp News, September 30, 2022, <https://www.linns.com/news/postal-updates/print-postal-bulletin-being-streamlined-to-save-printing-costs>

¹² See Postal Bulletin issue numbers 22593 (March 10, 2022), 22593 (June 20, 2022), and 22613 (December 15, 2022).

¹³ See, for example, Postal Bulletin issue number 22603 (July 28, 2022), <https://about.usps.com/postal-bulletin/2022/pb22603/pb22603.pdf>

¹⁴ See, for example, Postal Bulletin issue number 22606 (September 22, 2022), which contains nine pages listing the numbers for Missing, Lost, or Stolen Money Order Forms; four pages listing restrictions on APO/FPO/ DPO ZIP Codes, nine pages of stamp announcements, and nine pages listing pictorial postmarks and first day of issues.

¹⁵ Prior to 1919 the publication was called the "Daily Bulletin of Orders Affecting the Postal Service." The first issue in 1880 contains the announcement of a discontinuance of the Painter's Bridge post office

Bulletin's past issues, created by the U.S. Postal Bulletin Consortium, the purpose of the Bulletin is "to itemize and explain in great deal the services the Postal Service provides, to communicate the location of these services throughout the country, and to communicate the internal business of the Postal Service."¹⁶ One of the Bulletin's most important functions is to announce post office changes: the establishment of new post offices, name and site changes, ZIP code changes, and discontinuances. Announcing discontinuances on Postal Pro, a website intended primarily for business mailers, rather than in the Bulletin, runs counter to a 140-year tradition and undermines the utility and value of the Bulletin itself.

Tens of thousands of discontinuances have taken place since 1880, and one can safely assume that the Bulletin has made an effort to include every one of them. One of the main virtues of the Bulletin is that it is complete and comprehensive. The same cannot be said of Postal Pro, which has been publishing discontinuances from Postal Bulletin only since 2010. For example, 304 discontinuances that appeared in the August 17, 2017, issue of Postal Bulletin do not appear on the Postal Pro website.¹⁷ It may also be noted that while the discontinuances are easy to find in each issue of Postal Bulletin, they can be difficult to locate on the Postal Pro website.¹⁸ Supplementing the Postal

in Chester County, PA,

http://www.uspostalbulletins.com/PDF/Vol1_Issue1_18800304.pdf#search=%22discontinued%22

¹⁶ See the Digitized Postal Bulletin and PL&Rs, <http://www.uspostalbulletins.com/Home.aspx>

¹⁷ See Postal Bulletin, issue number 22474 (August 17, 2017), <https://about.usps.com/postal-bulletin/2017/pb22474/pb22474.pdf>.

¹⁸ The discontinuances and other post office changes are listed at <https://postalpro.usps.com/postal-bulletin-changes>.

Bulletin announcements with duplicates on Postal Pro may be helpful, but Postal Pro should not be used as a replacement or substitute for the Bulletin.

The Postal Bulletin notices represent the official record of discontinuances, the final step in a 30-step process to close a post office.¹⁹ Policies about the announcements are mentioned several times in Handbook PO-101: The Discontinuance Handbook.²⁰ In addition, and most importantly, federal regulations require the Postal Bulletin announcement. 39 CFR § 241.3 — “Discontinuance of USPS-operated retail facilities” — states that “the official closing date of the office must be published in the Postal Bulletin and effective, at the earliest, 60 days after the first day that Final Determination was posted.” As far as I been able to determine, the regulations do not give the Postal Service the authority to replace the Postal Bulletin announcement with an announcement in another location.

Given the significance of this change in postal policy, it would be appropriate for the Commission to ask the Postal Service for more information: How does the policy conform with the discontinuance handbook and federal regulations, is it is being applied consistently for all contents of the Bulletin, and is it worthwhile in the context of the potential cost savings?

¹⁹ See Docket No. PI2022-1, PRC Order 6101, Notice and Order Providing an Opportunity to Comment on the Postal Service’s Process for Resolving Suspended Post Offices, February 3, 2022, Attachment.

²⁰ Handbook PO-101, Postal Service-Operated Retail Facilities Discontinuance Guide, https://d10cufyfjisc14h.cloudfront.net/sites/default/files/po-101_postal_service_operated_retail_facilities_discontinuance_guide_10-12_662_kb.pdf. (See, for example, section 422.34.)

SERVICE PERFORMANCE

For the past several years, the Postal Service has provided quarterly service performance reports in terms of the percentage of mail volume delivered on time with respect to the corresponding service standard. In its press releases about service performance, however, the Postal Service has been using another metric. In October 2020, as the November election approached, the Postal Service began citing average delivery days, and it has continued to cite this number in weekly press releases. A recent press release, for example, states that for the first week of 2023, the average delivery time was “just 2.5 days.” For the previous week (the final week of 2022), “the average time to deliver a mailpiece or package across the postal network was just 2.6 days.”²¹

As part of the Commission’s proposed rulemaking to revise the periodic reporting on service performance, several commenters — the National Association of Presort Mailers, the Association for Postal Commerce, and the National Postal Policy Council — supported proposals to have the Postal Service report average days for delivery.²² The Commission found that “the metric of average actual delivery days an easier metric to understand for some mailers relative to the percentage of on-time delivery metric,” and it directed the Postal Service to begin reporting these data for each Market Dominant product at the district, area, and national levels. Order No. 6275 at 5-6

²¹ “New Processing Equipment, Investments in Personnel Drive Successful USPS Holiday Performance,” January 12, 2023, <https://about.usps.com/newsroom/national-releases/2023/0112-usps-reported-performance-metrics-for-the-2022-holiday-season.htm>

²² See Docket No. RM2022-7, Order No. 6275, September 21, 2022, at 3-6.

The Commission has not yet issued a final order on the new service performance reporting. In the meantime, it would be useful if the Postal Service provided an explanation of how the average days to delivery cited in press releases is being calculated and shared data for a representative week, disaggregating the overall average into the same categories the Postal Service currently uses to report service performance.

The metric of average days to delivery was an important factor in the Postal Service's calculations in Docket No. N2021-1 for how the proposed changes in service standards would affect mail volumes. Average delivery times figured prominently in Witness Thress's testimony on this question, and they were part of his calculations for the estimated volume losses and financial impacts of the changes in service standards.²³ It would be helpful if the Postal Service provided data updating the charts and data in Mr. Thress's testimony for N2021-1 so that the Commission and the public could see how the changes in service standards may have impacted average delivery times since FY 2020.

CHANGES IN THE TRANSPORTATION NETWORK

In the FY 2022 ACR, the Postal Service discusses several initiatives under the Delivering for America Plan, including "reducing the Postal Service's dependence on more expensive air transportation in favor of less expensive and more reliable surface transportation. To enable these transportation improvements, at the beginning of FY

²³ Docket No. N2021-1, Direct Testimony of Witness Thomas E. Thress on Behalf of the United States Postal Service, USPS-T-5, April 21, 2021.

2022 the Postal Service implemented new service standards for certain First-Class Mail and Periodicals.” ACR2022 at 49

As part of the compliance review, the Commission is examining service performance for First Class mail, which will help determine the extent to which the change in service standards has made delivery more “reliable” by achieving a 95 percent on-time score — one of the goals of new service standards examined in Docket N2021-1. The compliance review also offers an opportunity for the Commission to follow up on other projections made in N2021-1.

When it proposed changing service standards on First Class Mail, the Postal Service indicated that the changes would allow it to reduce dependence on air transportation and thereby reduce costs. According to USPS Witness Whiteman’s testimony, “Combining the savings from all air carriers provides a total air transportation savings of \$196.1 million per year expected as a result of the reduction in air capacity.”²⁴

The following table uses the format in the Transportation Savings spreadsheet filed in N2021-1.²⁵ As indicated in the notes on that sheet, the FY 2020 costs are from the CS14-Public-FY20 file. The numbers in the columns for FY 2021 and FY 2022 are from the corresponding filings for ACR 2021 and ACR 2022.²⁶

²⁴ Docket No. N2021-1, Direct Testimony of Curtis Whiteman on Behalf of The United States Postal Service (USPS-T-2), April 21, 2021, at 11.

²⁵ Docket No. N2021-1, USPS-LR-N2021-1-4, Calculating Transportation Cost Changes (Witness: Whiteman), April 21, 2021, file “Transportation Savings_Public,” tab “Air.”

²⁶ See Docket No. ACR2022, Library Reference USPS-FY22-32, December 29, 2022, Excel file “CS14-Public-FY22.xlsx,” tab “WS14.4”; Docket No. ACR2021, Library Reference USPS-FY21-32, December 29, 2021, Excel file “CS14-Public-FY21.xlsx,” tab “WS14.4”; Docket No. ACR2020, Library Reference USPS-FY20-32, December 29, 2020, Excel file “CS14-Public-FY20.xlsx,” tab “WS14.4.”

Air Transportation Costs, FY 2020-2022					
Carrier	FY 2020	FY 2021	FY 2022	Change FY 2021 to FY 2022	Change FY 2020 to FY 2022
UPS	\$192,755,567	\$283,579,292	\$423,536,689	\$139,957,398	\$230,781,122
Commercial Air	\$175,166,862	\$169,083,724	\$174,962,647	\$5,878,923	-\$204,215
FedEx Day Turn	\$2,394,378,214	\$2,364,958,206	\$2,142,163,612	-\$222,794,595	-\$252,214,603
Total	\$2,762,300,643	\$2,817,621,222	\$2,740,662,948	-\$76,958,274	-\$21,637,695

Implementation of the changes to the transportation network presumably began at the beginning of FY 2022, when the new service standards went into effect, so the totals for FY2022 should reflect the impacts of those changes. To the extent that these total annual costs reflect the cost savings, the data here suggest that the transportation changes may not have resulted in savings on the order of \$196 million. The CS14 reports also show that costs for UPS, Commercial Air, and FedEx Day for First Class Mail totaled \$401 million in FY 2020 and \$322 million in FY 2022, a decrease of \$79 million — again, much less than the projected \$196 million.

Other projections made during the N2021-1 case may also merit further review. USPS Witness Hagenstein testified that the percentage of 3-digit origin-destination pairs using air transportation would decrease from 43 percent to 34 percent.²⁷ He also testified that the percentage of total First Class Mail volume using air transportation would decrease from 21 percent to 12 percent. USPS T-3 at 27. It would be useful to learn the extent to which the Postal Service implemented this transition from air to ground transportation during FY 2022.

²⁷ Docket No. N2021-1, Direct Testimony of Stephen B. Hagenstein on Behalf of the United States Postal Service (USPS-T-3), April 21, 2021, at 26.

CHANGES IN THE DELIVERY NETWORK

In the Annual Compliance Report, the Postal Service states that since the issuance of the Delivering for America plan, it “has pursued key initiatives and investments to enhance operational precision and the Postal Service network in order to meet the Nation’s evolving mailing and shipping needs. These initiatives include improvements to the Postal Service’s mail and package processing network...” ACR at 49. One of these initiatives is the large-scale plan to transform the delivery network by relocating carriers from post offices to Sorting & Delivery Centers. The following timeline shows how the implementation of this initiative has proceeded:

- March 23, 2021: The Postal Service releases its Delivering for America plan. It calls for improvements to the delivery unit footprint, optimizing delivery units, and streamlining carrier functions.²⁸
- May 18, 2022: The Postmaster General discusses his “initiative to reinvent our delivery network and improve our route structure” at the Postal Forum. According to the Postmaster General, “This is a massive effort that will touch almost 500 network mail processing locations, 10,000 delivery units, 1,000 transfer hubs, and almost 100,000 carrier routes.”²⁹
- May 2022: An article in the Charlotte Business Journal (July 25, 2022) reports that the Postal Service has signed a lease to occupy a building of over 620,000 square feet at Gateway85 in Charlotte, North Carolina. The article says the news of the lease was first revealed at a Gaston Business Association event in May, but the USPS was not named as the tenant at that time.³⁰

²⁸ “Delivering for America: Our Vision and Ten-Year Plan to Achieve Financial Sustainability and Service Excellence” (DFA), at 31, https://about.usps.com/what/strategic-plans/delivering-for-america/assets/USPS_Delivering-For-America.pdf.

²⁹ See Video and Transcript of Postmaster General Louis DeJoy’s Keynote Address During the 2022 National Postal Forum, United States Postal Service, May 18, 2022, <https://about.usps.com/newsroom/national-releases/2022/0518-video-and-transcript-of-pmg-louis-dejoys-keynote-address-during-2022-national-postal-forum.htm>

³⁰ “US Postal Service takes 600K-plus square feet at Gaston County industrial park,” Collin Huguley, Charlotte Business Journal, July 15, 2022, <https://www.bizjournals.com/charlotte/news/2022/07/15/us-postal-service-industrial-development-gaston.html>. This property appears on the USPS Leased Facilities Report as the New Charlotte RPDC at 524 Scalybark Road, Gastonia, NC, 28054, <https://about.usps.com/who/legal/foia/leased-facilities.htm>.

- Spring 2022: The Postal Service signs the lease on a one-million-square-foot facility in the Palmetto Logistics Park, in Atlanta, Georgia.³¹
- July 18, 2022: A preview of an article in the July 2022 issue of Eagle Magazine is shared on liteblue.com. It describes a “massive redesign of the postal processing, transportation, and delivery infrastructure,” including a “systematic replacement of many existing facilities.” According to the Eagle, “Detailed plans are already underway with major initiatives initially targeted in the Atlanta, Indianapolis and Charlotte areas.”³²
- July 27, 2022: In comments at a forum sponsored by AEI, the Postmaster General explains that the Postal Service “will be aggregating much of our carrier base into larger properly equipped and strategically located sort and delivery centers.” He states that 19,000 carrier units would be reduced to 12,000 or 13,000 by consolidating them into bigger facilities.³³
- July 29, 2022: A USPS presentation shared with the postmasters’ association describes the S&DC plan. It shows ten S&DCs that would absorb 1,460 routes from 150 spoke offices. It also shows modeling for two Metro area conversions: Indianapolis, where two S&DCs would absorb 1,058 routes from 35 post offices, and Atlanta, where 2,327 routes at 73 post offices would be consolidated to seven S&DCs, including the South Metro P&DC (the facility in the Palmetto Logistics Park). It also describes conversions from seven stations to the Alabama Avenue carrier annex in Brooklyn, which has been leased for peak season operations.³⁴
- August 12, 2022: The Postal Service sends a letter to the postmasters’ association and the APWU about the S&DC plan, with a list showing 21 S&DCs and about 200 post offices where carrier “conversions” will take place. The letter states that implementation will begin with the Athens,

³¹ “Lee & Associates Atlanta Industrial Market Report,” https://www.lee-associates.com/atlanta/wp-content/uploads/sites/77/2022/07/Q2_2022_Atlanta-Industrial-Market-Report_FINAL.pdf. See also “Atlanta’s Industrial Market on a Nation-Leading Tear,” Jarred Schenke, BisNow.com, July 25, 2022, <https://www.bisnow.com/atlanta/news/industrial/atlanta-industrial-continues-on-a-tear-2q-113966>. This property appears on the USPS Leased Facility Report as the South Metro RPDC at 700 Palmetto Logistics Parkway, Building 3, Palmetto, GA 30268, <https://about.usps.com/who/legal/foia/leased-facilities.htm>.

³² “A Better Workplace for a Brighter Future,” The Eagle, Vol. 1, No. 4, July 2022, <https://liteblue.usps.gov/news/link/2022/em20220630-workplace.pdf> and <https://about.usps.com/resources/eagle/em20220802.pdf>.

³³ “Reinvigorating and Transforming the United States Postal Service: A Conversation with Postmaster General Louis DeJoy,” American Enterprise Institute, July 27, 2022, <https://www.aei.org/events/reinvigorating-and-transforming-the-united-states-postal-service-a-conversation-with-postmaster-general-louis-dejoy>.

³⁴ U.S. Postal Service, Sorting and Delivery Center, July 29, 2022. https://www.unitedpma.org/docs/default-source/default-document-library/resources/sdc---dpmg-management-association-update_07.29.2022.pdf?Status=Master&sfvrsn=8c57688d_3/%20SDC---DPMG-Management-Association-Update_07.29.2022%20.pdf.

Georgia, consolidations by September 24; the Brooklyn conversions in November, and the remainder by February 2023.³⁵

- Late September 2022: The Postmaster General takes the Washington Post on a tour of postal facilities in the Atlanta area to show the “template” of the new S&DC plan, which “can be replicated in 59 other metro areas across the country.” The tour includes a stop at the new facility in the Palmetto Logistics Park, where the Postmaster General is photographed being “shown around by a superintendent.”³⁶
- November 29, 2022: The USPS Office of Inspector General announces that it has initiated an audit of the Postal Service’s Development and Communication of Sorting and Delivery Centers. The results are expected to be published in June 2023.³⁷
- December 29, 2022: According to an article in Government Executive, “The first of hundreds of sorting and delivery centers just opened in Athens, Ga., with more slated for February.”³⁸
- January 12, 2023: USPS Link reports that the Postal Service is sending a postcard to USPS employees that “touts USPS efforts to transform its delivery network.” According to the postcard, “We are combining carrier operations into new, larger sorting and delivery centers (S&DCs). These facilities will have ample space, docks, conveyors, and mail and material handling equipment to operate more efficiently. S&DCs will allow us to serve close to 100 percent of the American public within two days.”³⁹

³⁵ Letter from James Lloyd, USPS Director of Labor Relations Policies and Programs, to APWU President Mark Dimondstein, August 12, 2022, <https://www.21cpw.com/wp-content/uploads/2022/08/2022-08-22-Notification-GCCC20220285-Updated-Information-on-Sites-for-Conversion-into-SDCs.pdf> and Letter from James Lloyd to NAPS President Ivan Butts, August 12, 2022, https://naps.org/files/galleries/Board_Memo_021-2022_SDC_DPMG_Management_Association_Update_without_PowerPoint.pdf.

³⁶ See “Biden’s zero-emission government fleet starts with USPS,” Jacob Bogage, Washington Post, November 25, 2022, <https://www.washingtonpost.com/us-policy/2022/11/25/biden-evs-usps/>

³⁷ “Postal Service’s Development and Communication of Sorting and Delivery Centers,” USPS OIG, November 29, 2022, <https://www.uspsoig.gov/audit-asks/postal-service%E2%80%99s-development-and-communication-sorting-and-delivery-centers>.

³⁸ “USPS Prepares for a ‘Year of Implementation,’ and the Shaping of Louis DeJoy’s Legacy,” Eric Katz, Government Executive, December 29, 2022, <https://www.govexec.com/management/2022/12/usps-prepares-year-implementation-and-making-louis-dejoys-legacy/381307>

³⁹ “Network Notes: Employees Receive 10-year plan info,” USPS Link, January 12, 2023, <https://link.usps.com/2023/01/12/network-notes>.

As the details about the plan revealed thus far indicate, the S&DC plan represents a “massive redesign” of the delivery network on a nationwide scale. These changes will impact postal customers and their access to postal services in numerous ways. The plan, for example, will change which delivery units mailers can use to drop their USPS Connect shipments, as noted in the USPS response to a recent information request.⁴⁰ The same presumably holds true for other mailings that receive DDU discounts. It’s also possible that postal customers will need to travel to an S&DC to retrieve undeliverable mail and packages, or perhaps they will need to make special arrangements to have these items made available at their local post office, which could add a day or two to delivery times.

When delivery operations are removed from thousands of post offices, the excess space is likely to be cited as a reason to relocate some offices to a smaller space. Excess space will also lead to the sale of many USPS-owned buildings. As the December 29th article in Government Executive reports, postal officials plan to “get rid of buildings.” Removing carriers will also facilitate the Postal Service’s initiatives to “align hours of operation to customer demands at low traffic Post Offices” and “consolidate low-traffic stations and branches,” both of which are part of the cost-saving measures identified in the Delivering for America plan. (DFA at 34, 35, 48) All these changes will have a direct impact on customer access to postal services.

The S&DC plan will also have significant impacts on postal employees and the delivery network. These include the following:

⁴⁰ Docket No. MC2023-12, Response of the United States Postal Service to Chairman’s Information Request No. 2, Question No. 1, December 23, 2022.

- **More routes:** The July 29, 2022, presentation indicates that the longer distances between S&DCs and routes will require the Postal Service to add five to ten percent more routes. If the plan encompasses 100,000 routes, that's 5,000 to 10,000 more routes and a corresponding increase in the number of letter carriers.
- **More delivery vehicles:** More routes will require more delivery vehicles and, for electric vehicles, more charging stations, which will add to the costs of the next-generation fleet.
- **More transportation costs:** Data provided in the July 29, 2022, presentation indicate that the average route will increase by about 12 miles, each way. The average carrier route is about 24 miles.⁴¹ The S&DC plan will thus double the miles traveled in each route encompassed by the plan. For traditional vehicles, this will increase fuel and maintenance costs, and for the new electric vehicles, it will mean more frequent recharging and shorter battery life.
- **Increased risk of accidents:** The additional driving between S&DCs and routes — much of it during rush hour and often on busy highways — will increase the risk of vehicle accidents.⁴² This will increase costs for vehicle repair, workers compensation, and lost time associated with employee injuries. City carriers already have the highest injury rates of all USPS employees.⁴³
- **Longer commutes:** The July 29, 2022, presentation indicates that commuting for postal employees will increase by several miles and minutes, which will add to their personal transportation costs and cause many unpaid hours for commuting time. The Postmaster General has himself acknowledged the longer commutes, telling employees in a video message in July 2022, “For some of you, this might mean you have to travel a little further to get to work.”⁴⁴
- **More employee retention problems:** The additional costs of longer commutes — in unpaid hours and fuel and maintenance costs — and the longer drive between S&DCs and routes may exacerbate employee

⁴¹ “Electric Delivery Vehicles and the Postal Service,” USPS OIG Report Number RISC-WP-22-003, March 17, 2022, at 5. <https://www.uspsoig.gov/sites/default/files/document-library-files/2022/RISC-WP-22-003.pdf>.

⁴² See “Audit Report: Accident Reporting,” OIG Report Number 21-015-R21, August 27, 2021, <https://justthenews.com/sites/default/files/2021-09/21-015-R21.pdf> and “U.S. Postal Service ‘Further Analysis Could Help Identify Opportunities to Reduce Injuries among Non-Career Employees,’” GAO-21-556, August 2021, <https://www.gao.gov/assets/gao-21-556.pdf>

⁴³ GAO-21-556 at 72.

⁴⁴ “The Postmaster General Tells USPS Employees to Keep Upcoming Workforce Changes ‘in Perspective,’” Eric Katz, Government Executive, October 14, 2022, <https://www.govexec.com/workforce/2022/10/dejoy-tells-usps-employees-keep-upcoming-workforce-changes-perspective/378457/>.

retention problems.⁴⁵ In FY 2019, the city carrier assistant positions had the highest turnover of all non-career employees.⁴⁶ Unavailability of carriers is also one of the main causes of undelivered or partially delivered routes and delayed mail.⁴⁷

- **Displacing and eliminating clerk positions:** The clerks in post offices not only provide services at the window but also support carrier operations. When carriers are relocated to S&DCs, there will be less work for clerks at the post office. Some may have to relocate to an S&DC; many clerk positions may simply be eliminated. At the AEI forum, the Postmaster General said, “Right now, to get to break even, I think we may need to get 50,000 people out of the organization.”⁴⁸
- **Displacing postmasters, managers and supervisors:** When carriers are relocated from post offices, those in managerial positions will have fewer employees to supervise, and their positions may eventually be downgraded or eliminated.

Despite the potential impacts on employees and customers, the vast scale of the plan, and the fact that implementation has already begun, the Postal Service has not yet requested an Advisory Opinion from the Commission. In its Delivering for America plan, the Postal Service committed to “adhere to legal, statutory, and regulatory requirements as we implement the initiatives within this Plan. These processes will provide opportunities for stakeholder input and engagement.” The DFA proceeds to state that the Postal Service will “file a request for an advisory opinion from the PRC prior to implementing any initiative that constitutes a ‘change in the nature of postal services on

⁴⁵ See GAO-21-556 for a discussion of this problem.

⁴⁶ See “Audit Report: Effectiveness of the Postal Service’s Efforts to Reduce Non-Career Employee Turnover,” Report Number 19POG001SAT000-R20, February 12, 2020, at 5. <https://www.uspsoig.gov/sites/default/files/document-library-files/2020/19POG001SAT000-R20.pdf>

⁴⁷ “Delivery Operations – Undelivered and Partially Delivered Routes,” OIG Report Number 21-262-R23 | December 16, 2022, at 3, <https://www.uspsoig.gov/sites/default/files/document-library-files/2022/21-262-R23.pdf>.

⁴⁸ “USPS Plans to Slash 50,000 Positions in Coming Years to Reach 'Break Even' Point,” Eric Katz, Government Executive, July 28, 2022, <https://www.govexec.com/workforce/2022/07/usps-plans-slash-50000-positions-coming-years-reach-break-even-point/375096/>.

a nationwide or substantially nationwide basis,' as required by statute (39 U.S.C. 3661)." DFA at 41

As described above, the S&DC plan clearly falls within the scope of 39 U.S.C. 3661, and it is past time for the Postal Service to begin providing "opportunities for stakeholder input and engagement." My motion asks the Commission to request information concerning the Postal Service's intentions with respect to requesting an Advisory Opinion on these changes to the delivery network.

PROPOSED INFORMATION REQUESTS

1. Please provide Excel spreadsheets including Office Name (or other appropriate identifier), Location (City and State), and 5-Digit ZIP Code for the following:
 - a. Community Post Offices (CPOs) in existence at the beginning of FY 2022;
 - b. CPOs opened during FY 2022;
 - c. CPOs closed during FY 2022; and
 - d. CPOs in existence at the end of FY 2022.
2. Please provide Excel spreadsheets including Office Name (or other appropriate identifier), Location (City and State), and 5-Digit ZIP Code for the following:
 - a. Contract Postal Units (CPUs) in existence at the beginning of FY 2022;
 - b. CPUs opened during FY 2022;
 - c. CPUs closed during FY 2022; and
 - d. CPUs in existence at the end of FY 2022.

3. Please provide Excel spreadsheets including Office Name (or other appropriate identifier), Location (City and State), and 5-Digit ZIP Code for the following:
 - a. Village Post Offices (VPOs) in existence at the beginning of FY 2022;
 - b. VPOs opened during FY 2022;
 - c. VPOs closed during FY 2022; and
 - d. VPOs in existence at the end of FY 2022.

4. Please refer to ACR 2021, Responses of the United States Postal Service to Questions 1-21 of Chairman's Information Request No. 11, February 11, 2022, ChIR 11 Response Attachments, Tab "Suspended End of FY21." Please also refer to Library Reference USPS-FY22-33, December 29, 2022, file "PostOfficesFY2022.xlsx," tabs "Suspended During FY22" and "Suspended End of FY22." Please provide versions of these two spreadsheets containing the following information for each suspended post office:
 - a. City;
 - b. State;
 - c. ZIP Code;
 - d. Date Suspended;
 - e. Date Reopened (if applicable);
 - f. Suspension Reason;
 - g. Discontinuance Proposal Posting Date (if applicable);
 - h. Date of Community Meeting (if applicable); and
 - i. Date of Posting Final Determination to Discontinue (if applicable).

5. Please refer to Docket No. ACR2020, Responses of the United States Postal Service to Questions 1-23 of Chairman's Information Request No. 9, February 8, 2021, ChIR.9.Public.Attachments, file "Question 11 Collection Boxes." Please provide two spreadsheets updating the data in the Excel sheets "CPMS Blue Box Collection Schedule" and "CPMS Density."
6. Please address the following topics regarding the new policy for including lists of discontinuances in Postal Bulletin.
 - a. Please explain how the notices in the September 8, 2022, and September 22, 2022, issues of Postal Bulletin (numbers 22606 and 22607), which refer readers to Postal Pro for a list of discontinuances, conform with postal policies as described in Handbook PO-101 and federal regulations as set forth in 39 CFR § 241.3.
 - b. Please explain why, if it was important to limit the number of discontinuance announcements to 27 per issue, the Postal Service did not simply spread out the announcements in issues number 22606 and 22607 over several issues.
 - c. Please explain why many lists in the Bulletin, such as announcements of new stamps series and money forms, that exceed the 3-page, 27-item limitation, continue to be published in the Bulletin rather than on Postal Pro.
 - d. Please provide an estimate for the printing cost per page of an issue of Postal Bulletin, including the total printing cost for the Bulletin in FY 2022,

the total number of pages printed, and whatever other factors used to calculate this estimate.

7. Please refer to the press release issued January 12, 2023, in which the Postal Service states, “Between Nov. 26 and Dec. 30, the Postal Service accepted 11.7 billion mailpieces and packages into the network with an average delivery time of just 2.5 days.”⁴⁹
 - a. Please confirm that the average days to deliver cited in the press release is a volume-weighted composite for all mail and parcels (in measurement) delivered during the specified period. If not confirmed, please explain how the number is calculated.
 - b. Please provide data for average days to delivery for Market Dominant products, for a representative week in FY 2022, on a nation-wide basis, disaggregated in the manner that the Postal Service uses for its quarterly service performance reports: Presort First Class (overnight, 2-day, 3-day, 4-day, 5-day), Single Piece First-Class (2-day, 3-day, 4-day, 5-day), Marketing Mail, Package Services, Periodicals, etc. For each category, please include total volume, the volume in measurement used to calculate the averages, and the average days to delivery.
8. Please refer to Docket No. N2021-1, Direct Testimony of Witness Thomas E. Thress on Behalf of the United States Postal Service, USPS-T-5, April 21, 2021, and USPS-LR-N2021-1/5 - Econometric Analysis of Impact of Delivery Service Standards on

⁴⁹ “New Processing Equipment, Investments in Personnel Drive Successful USPS Holiday Performance,” January 12, 2023, <https://about.usps.com/newsroom/national-releases/2023/0112-usps-reported-performance-metrics-for-the-2022-holiday-season.htm>.

First-Class Mail and Periodicals Mail (Witness: Thress), April 21, 2021. Please refer to the charts in tabs “Vols-1sp,” Vols-1ws,” and “Vols-2c,” and the underlying data in the tab “Data.” Please provide charts updating these three charts and a table updating the data on the “Data” spreadsheet, with volumes and average delivery times for Single Piece First Class, Workshare First Class, and Periodicals, for the period Q1 2021 through Q4 2022.

9. Please refer to Docket No. N2021-1 regarding changes in the mode of transportation for First Class Mail.
 - a. Please provide the percentage of First Class Mail volume using air transportation at the beginning of FY 2022 and the end of FY 2022.
 - b. Please provide the percentage of First Class origin-destination pairs using air transportation at the beginning of FY 2022 and the end of FY 2022.
 - c. Please provide an estimate for the cost savings that were achieved during FY 2022 by the shift from air transportation to ground transportation and an explanation for how the cost savings were calculated.
 - d. If the estimate for cost savings is less than the projection of \$196 million made in the N2021 docket, please explain the factors that prevented the Postal Service from achieving this projection.
10. Please confirm that the Postal Service will request an Advisory Opinion concerning its initiative to transform the delivery network by shifting carrier operations from post offices to Sorting & Delivery Centers.
 - a. If confirmed, please indicate approximately when this Request will be filed with the Commission.

- b. If not confirmed, please explain why the Postal Service will not request an Advisory Opinion on the S&DC plan.

Respectfully submitted,

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