

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

Annual Compliance Review, 2022

Docket No. ACR2022

CHAIRMAN'S INFORMATION REQUEST NO. 6
AND NOTICE OF FILING UNDER SEAL

(Issued January 20, 2023)

To clarify the basis of the Postal Service's FY 2022 *Annual Compliance Report* (ACR), filed December 29, 2022,¹ the Postal Service is requested to provide written responses to the following questions. Answers should be provided to the individual questions as soon as they are developed, but no later than January 27, 2023. Question 6.b. is developed based on Question 5 proposed in the Motion for Issuance of Information Requests filed by Steve Hutkins on January 19, 2023.²

Competitive International Mail

1. Please refer to the discussion in the FY 2022 ACR on international Competitive products in which the Postal Service states, "[i]n Order No. 2825, the Commission approved Proposal Five, which established a non-In-Office Cost System (IOCS) methodology to distribute [International Money Transfer Service (IMTS)] costs to IMTS-Outbound and IMTS-Inbound based on transaction volume."³ The Postal Service further states, "[i]n FY 2022, there were only seven

¹ United States Postal Service FY 2022 *Annual Compliance Report*, December 29, 2022 (FY 2022 ACR).

² The asking of other questions proposed in that motion remains under consideration.

³ FY 2022 ACR at 95 (citing Docket No. RM2015-13, Order Approving Analytical Principles Used in Periodic Reporting (Proposal Five), November 19, 2015 (Order No. 2825)).

IOCS tallies, five for the IMTS-Outbound and two for the IMTS-Inbound products. As a result, IMTS costing remains subject to variation.” FY 2022 ACR at 95.

- a. Please confirm whether the non-IOCS methodology is used in conjunction with the IOCS methodology to distribute IMTS-Inbound and Outbound costs or used as an alternative to the IOCS methodology, and explain in detail how IMTS costing has improved using the non-IOCS methodology.
- b. Please confirm whether IMTS costing is still subject to variation using the non-IOCS methodology. If confirmed, please explain why the non-IOCS methodology still results in variations in IMTS costing.
- c. To the extent that using the non-IOCS methodology to distribute IMTS-Inbound and Outbound costs has not made any significant impact on IMTS cost distribution, please identify other alternatives that would improve IMTS costing and explain why they could result in improvement.

Domestic Competitive Products

2. Please see Attachment, filed under seal.

For the following questions, if the Postal Service chooses to respond using a graphical or tabular representation of data, please file the underlying data in the form of an Excel spreadsheet. Such spreadsheets shall preserve all data links and show all formulas used, including volumes and other weighting factors.

Service Performance

3. Please refer to Docket No. ACR2021, Responses of the United States Postal Service to Questions 1-29 of Chairman’s Information Request No. 1, January 18, 2022, question 13.a., in which the Postal Service explains that the “COVID-19 pandemic reduced employee availability nationally and in numerous pockets of hot spots at different times.” Please also refer to Docket No. ACR2021,

Responses of the United States Postal Service to Questions 1-21 of Chairman's Information Request No. 11, February 11, 2022, question 16.a. (Docket No. ACR2021, Response to CHIR No. 11), in which the Postal Service states that if one geographic hot spot has insufficient employee availability to clear the mail, mail destined for any number of downstream facilities will be delayed. Do the responses to these questions remain applicable in FY 2022 given the changes to the network implemented by the Postal Service in FY 2022?⁴ Please explain the reason why or why not.

4. Please refer to Docket No. ACR2021, Response to CHIR No. 11, question 16.b., in which the Postal Service states that it "is unable to quantify the impact of employee availability on service performance because it is not possible to isolate the effect on service performance independent of other factors." Please confirm that the Postal Service remains unable to quantify the impact of employee availability on service performance. If not confirmed, please explain.
5. Please refer to Docket No. ACR2021, Response to CHIR No. 11, question 14, in which the Postal Service states that it is unable to quantify the impact of critically late trips (CLTs) on Market Dominant service performance results. Please confirm that the Postal Service remains unable to quantify the impact of CLTs on service performance. If not confirmed, please explain.

⁴ See, e.g., United States Postal Service, Delivering for America, First-Year Progress Report, April 7, 2022, at 3, available at <https://about.usps.com/what/strategic-plans/delivering-for-america/assets/usps-dfa-one-year-report.pdf> ("Mail standard changes were implemented October 1, 2021. These new service standards are enabling the design and implementation of a more efficient and reliable network.").

Customer Access

6. The Postal Service states that it “uses an inventory tool called the Collection Point Management System (CPMS) to collect data on collection boxes throughout the nation.”⁵
 - a. Please provide a copy of the most up-to-date CPMS in Excel format.
 - b. In Docket No. ACR2020, the Postal Service provided two Excel spreadsheets containing data on the CPMS Blue Box Collection Schedule and CPMS Density.⁶ Please file updated spreadsheets for FY 2022.
 - c. Please explain how the Postal Service uses the CMPS to determine the number of collection boxes provided in Library Reference USPS-FY22-33.⁷
 - d. Please provide the following:
 - i. The number of collection boxes located within post offices and other retail facilities, including those outside the building and in the parking lot of the retail facility
 - ii. The number of collection boxes distributed in the field outside of post offices and other retail facilities
7. In Docket No. ACR2021, the Postal Service stated that in FY 2021, it continued to follow the procedures specified by the Postal Operations Manual (POM) for

⁵ Docket No. ACR2012, Library Reference USPS-FY12-33, December 28, 2012, PDF file “USPS-FY12-33.Preface.pdf.”

⁶ Docket No. ACR2020, Responses of the United States Postal Service to Questions 1-23 of Chairman’s Information Request No. 9, February 8, 2021, question 11, folder “ChIR.9.Public.Attachments,” folder “Question 11 Collection Boxes,” Excel files “CPMS Blue Box Collection Schedule.xlsx” and “CPMS Density.xlsx.”

⁷ Library Reference USPS-FY22-33, December 29, 2022, folder “USPS-FY22-33,” folder “FY22.33.Files,” Excel file “CollectionBoxesFY2022.xlsx.” The Postal Service states there is no change in the methodology for collecting data on collection boxes. See Library Reference USPS-FY12-33, file “Library Reference USPS-FY12-33.”

conducting annual density testing of collection boxes to determine which collection boxes to remove.⁸

- a. Please provide a copy of or link to the most recent version of the POM.
 - b. Please confirm that in FY 2022, the Postal Service continued to follow the procedures specified by the POM for conducting annual density testing of collection boxes to determine which ones to remove.
 - i. If confirmed, please provide updated references to the POM and other sources describing procedures for conducting annual density testing.
 - ii. If not confirmed, please describe the procedures the Postal Service followed in FY 2022 for removing collection boxes. In the response, please provide references to the POM and other sources describing these procedures.
 - c. Please describe all factors other than density the Postal Service considers when determining whether to remove a collection box.
8. In Fall 2022, the Postal Service issued a news release warning people not to drop off mail in collection boxes on Sundays or federal holidays due to rising mail theft.⁹
- a. Please explain whether and how the Postal Service considers theft from a collection box when deciding whether to remove it.
 - b. Please describe to what extent collection box theft has discouraged customer usage of collection boxes in FY 2022. In the response, please

⁸ Docket No. ACR2021, Responses of the United States Postal Service to Questions 1-11 of Chairman's Information Request No. 5, January 31, 2022, question 1.a.

⁹ See, e.g., Brian A. Saunders, *PhillyVoice* (October 29, 2022), available at <https://www.phillyvoice.com/us-postal-service-drop-boxes-targeted-theft/>.

describe other collection points or access channels that customers may have used in FY 2022 instead of collection boxes.

- c. Please explain how collection box theft affected customer experience scores and overall customer satisfaction in FY 2022. In the response, please describe how customers have responded to collection box theft.
9. In the September 8, 2022 issue of the *Postal Bulletin*, the Postal Service announced that it discontinued a number of post offices.¹⁰ It stated that “[d]ue to the extensive number of offices on the Discontinuance List the [list of discontinued post offices] will not be published in this *Postal Bulletin*.” PB22606 at 10. It provided a link to the list of discontinued post offices that are listed on *PostalPro*. Please explain whether the Postal Service has considered publishing the list of discontinued post offices and their office closing dates as an Appendix to the *Postal Bulletin* instead of as a link to separate website.¹¹ If the Postal Service has not considered this, please explain why.

By the Chairman.

Michael Kubayanda

¹⁰ United States Postal Service, *Postal Bulletin* (PB 22606) September 8, 2022, at 10, available at <https://about.usps.com/postal-bulletin/2022/pb22606/pb22606.pdf> (PB22606).

¹¹ The Postal Service’s discontinuance regulations state, “If no appeal is filed, the official closing date of the office must be published in the *Postal Bulletin*....” 39 C.F.R. § 241.3(g)(2).