

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

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Public Inquiry on Changes Associated )  
With the Delivering for America Plan ) Docket No. PI2023-4  
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**MOTION OF THE ASSOCIATION FOR POSTAL COMMERCE FOR ISSUANCE OF  
INFORMATION REQUEST**

**APRIL 28, 2023**

Pursuant to 39 CFR §§ 3010.160(a) and 3010.170(e), the Association for Postal Commerce (“PostCom”) respectfully requests that the Commission or Presiding Officer issue an Information Request to obtain additional clarifying data and information from the Postal Service regarding the recent and planned network changes associated with the Postal Service’s Delivering for America strategic plan (“DFA” or “Plan”).

The Commission opened this docket “to provide a forum to seek additional information about the planned S&DCs, as well as other planned initiatives associated with the Postal Service Strategic Plan.” Order No. 6488 at 4. The proposed questions seek information that will allow participants to better understand and evaluate the impact of recent changes to the postal network. Specifically, they seek basic information about the scope of the planned network and facility changes, information without which no evaluation of the plan can be made. The requests further seek information that would allow parties to tie these changes to the cost and revenue projections contained in the DFA and referenced generally in other materials, such as Office of Inspector

General Audit Reports.<sup>1</sup> As one of the purposes of the DFA is to achieve financial sustainability for the Postal Service, it is critical to understand the cost and revenue projections and data underlying the plan and how those estimates have changed over time to evaluate whether DFA initiatives are achieving their intended outcomes.

Therefore, PostCom respectfully requests that the Chairman issue the following questions:

1. Please provide a schedule of planned facility activations, including Sort and Delivery Centers (S&DCs), Regional Processing and Distribution Centers (RPDCs), Local Processing Centers (LPCs), Destination Hubs (DHUBs), and any other facility contemplated as part of the DFA, including the following data elements for each facility:
  - a. Location.
  - b. Facility type.
  - c. Planned date of activation.
  - d. Planned date of completion.
  - e. Impacted existing facilities.
  - f. 3-Digit zip codes served.
2. Please refer to Page 6 of the DFA and the projection that the Plan will improve costs by \$34 billion over 10 years due to self-help management initiatives, including mail processing, transportation, retail, delivery, and administrative efficiency.
  - a. Please identify the specific cost saving initiatives included in this \$34 billion projection.

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<sup>1</sup> See, e.g., Assumptions and Metrics Underlying the *Delivering for America* 10-Year Plan, Report Number 21-224-R22.

- b. For each identified initiative, please provide any analysis or study prepared identifying the cost savings associated with that initiative.
  - c. If no such studies or analyses exist, please identify the basis for the projection of \$34 billion in aggregate cost improvements.
- 3. Please refer to Pages 4-5 of the OIG Audit Report “Assumptions and Metrics Underlying the *Delivering for America* 10-Year Plan,” Report Number 21-224-R22, and the statement that OIG “reviewed the metrics for 58 initiatives” and “[g]enerally, metric measurements included a reduction in hours or expenses related to the initiative.”
  - a. Please identify the metrics associated with each initiative identified in response to Question 2.a.
  - b. Please provide any information, including from the enterprise dashboard referenced on Page 5 of the referenced OIG Report, indicating the progress of initiatives that have been implemented, in whole or in part, against the identified metrics.
- 4. Please refer to Appendix A of the DFA and the projections of costs and revenues therein.
  - a. Please provide the volume and revenue forecasts, by product, used to develop the projections contained in Appendix A.
  - b. Please identify the assumptions regarding timing and magnitude of price increases underlying these projections.
    - i. At page 46 of the DFA (Appendix A), USPS states that its revenue “estimates incorporate volume losses, due to increased prices based

on estimated price elasticities.” Do these revenue estimates incorporate revenue associated with density rate authority resulting from these volume losses?

1. If so, please provide any estimates of density rate authority the Postal Service used when developing its revenue estimates.
5. Please provide any updates to the forecasts and estimates referenced in Questions 2 and 4 above that the Postal Service has developed since the DFA was issued.
  6. Please identify any processing and/or handling equipment purchases exceeding \$1 million executed or planned as part of the DFA.
    - a. Please provide any volume and revenue forecasts, by product, the Postal Service relied on in identifying, analyzing, or evaluating the purchases identified in response to Question 6.
    - b. Please provide any updates to the forecasts provide in response to Question 6.a. that have been performed since the forecasts were used to identify, analyze, or evaluate the purchases identified in response to question 6.

PostCom requests that the Commission or Presiding Officer require that: (1) the requested information be produced publicly, to the extent consistent with law and Commission policy; (2) information generated by spreadsheets be produced in Microsoft Excel or other spreadsheet files; and (3) any formulas embedded in the spreadsheets should be preserved.

Respectfully submitted,

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