



Postal Regulatory Commission

Postal Regulatory Commission
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Press Release

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PRC Evaluates USPS Performance in 2013 Annual Compliance Determination; 18 Discount Rates Miss the Mark

Washington, DC – Today the Postal Regulatory Commission issued its 2013 Annual Compliance Determination (ACD) report, an assessment of the U.S. Postal Service's rates and service in Fiscal Year (FY) 2013. This year's ACD is based on information the Postal Service is required to provide to the Commission and comments from the public.

The Commission notes that the Postal Service has made improvements in the areas of customized service agreements and increased cost coverage and contribution from competitive products. Also, the volume of mail being measured for service performance has increased, and customer access and satisfaction have improved over the previous fiscal year. The Commission also found that customers were generally satisfied with their overall experience when visiting post offices, but were less satisfied with the resolution of complaints. Overall, the majority of the products were found to be in compliance.

However, the Commission has identified several compliance issues the Postal Service must address in FY 2014:

- 1) Market Dominant Rates and Fees:** The Commission finds that 18 workshare discounts did not comply with section 3622(e), which requires the Commission to ensure that workshare discounts do not exceed the costs avoided by the Postal Service as a result of mailers preparing the mail.
- 2) Competitive Products Rates and Fees:** Rates for Parcel Return Service Contract 4, International Priority Mail, International Air Parcel Post, and International Money Transfer Service-Outbound were not in compliance because they did not cover attributable costs. The Commission ordered the Postal Service to take corrective actions.
- 3) Market Dominant Products Service Performance:** Despite overall improvements, the Commission found that a majority of market dominant mail products did not reach their annual service performance targets.
- 4) In the FY 2014 ACR,** the Postal Service must provide a detailed analysis of the progress made in improving Periodicals cost coverage that includes the impact of leveraging its pricing flexibility and implementing operational strategies.

"While the Postal Service has made strides in FY 2013 in service performance," Chairman Ruth Y. Goldway noted, "it's important to correct those areas we identified that hurt its financial condition, and also to pay attention to meeting service standards and solving customer complaints."

The Commission is required to issue its ACD 90 days after the filing of the Postal Service's Annual Compliance Report. A copy is available at Commission offices and may be found on the Commission's website at [2013 Annual Compliance Determination](#).

The Commission analyzed the Postal Service's financial condition in a separate report issued on March 18, 2014.

The Postal Regulatory Commission is an independent federal agency that provides regulatory oversight over the U.S. Postal Service to ensure the transparency and accountability of the Postal Service and foster a vital and efficient universal mail system. The Commission is comprised of five Presidentially-appointed and Senate-confirmed Commissioners, each serving terms of six years. The Chairman is designated by the President. In addition to Chairman Ruth Goldway, the other Commissioners are Vice Chairman Mark Acton, and Robert Taub.