



Postal Regulatory Commission

Postal Regulatory Commission
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Press Release

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PRC Evaluates USPS Performance in 2014 *Annual Compliance Determination*

Washington, DC – Today the Postal Regulatory Commission issued its 2014 *Annual Compliance Determination* assessing the pricing and service performance standards of the Postal Service in fiscal year 2014 (39 U.S.C. Section 3653). The Commission’s review is based on the exigency rates approved in Docket No. [R2013-11](#) for Market Dominant products. Principal findings include:

- Twenty-six workshare discounts do not comply with section 3622(e) of the law. Workshare discounts that exceed avoided costs adversely affect Postal Service finances because they incent mailers to perform worksharing that the Postal Service could have done on a less costly basis.
- Seven noncompensatory Market Dominant products are identified: Periodicals In-County, Periodicals Outside County, Standard Flats, Standard Parcels, Media/Library Mail, Inbound Letter Post and Stamp Fulfillment Services. The Postal Service is directed to provide a detailed analysis in its next *Annual Compliance Report* of the progress made in improving cost coverage for Periodicals. With respect to Standard Mail Flats, the Commission finds that the Postal Service is making progress toward addressing its cost coverage shortfall and that no further remedial action is required at this time.
- Revenue for two Competitive products failed to cover attributable costs and therefore do not comply with the law: International Money Transfer Service – Inbound, and International Money Transfer Service – Outbound.
- The Postal Service met its service performance targets for Presorted First-Class Letters/Postcards (Overnight and 2-Day), while performance results for Periodicals and Package Services fell short despite initiatives to increase performance.

The full report, including an executive summary, is available at www.prc.gov, along with related documents under Docket No. [ACR2014](#).

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 Acting Chairman Robert G. Taub, the other commissioners are Vice Chairman Tony Hammond and Commissioners Mark Acton, Ruth Y. Goldway and Nanci E. Langley.