



# Postal Regulatory Commission

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## Press Release

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### **PRC Issues Report Evaluating USPS Service Levels and Rates** Emphasizes data with two new dashboards

Washington, DC –Late in the afternoon yesterday, the Postal Regulatory Commission issued its [\*FY 2023 Annual Compliance Determination\*](#) (ACD) assessing the Postal Service's compliance with regulations regarding rates and service performance. Each year the Commission must issue its ACD 90 days after the filing of the Postal Service's *Annual Compliance Report* (ACR) (39 U.S.C. Section 3653). Accompanying this year's ACD are two dashboards related to [rate authority](#) and [Negotiated Service Agreements](#) (NSA).

The Commission's primary areas of review, its findings, as well as recommendations and directives, include:

#### **MARKET DOMINANT RATES AND FEES**

##### *Workshare Discounts:*

The Commission finds that all workshare discounts in effect in FY 2023 were in compliance at the time they were introduced in rate adjustment proceedings based on the most recent avoided costs available at the time. The Postal Service is required to bring any discounts that are currently out of compliance with relevant regulations based on the new FY 2023 avoided costs into compliance in the next Market Dominant rate adjustment.

##### *Non-Compensatory Classes and Products:*

The Commission finds the Periodicals class, and both products within it, were non-compensatory in FY 2023. Additionally, the Commission identifies the following non-compensatory products in compensatory classes: (1) USPS Marketing Mail Flats, (2) USPS Marketing Mail Carrier Route, and (3) Media Mail/Library Mail. The Commission notes that two classes were fully compensatory in FY 2023, with both the class and all products within the class covering attributable costs: First-Class Mail and Special Services. Taken together, the Postal Service lost \$1.34 billion in FY 2023 from non-compensatory classes and products.

## COMPETITIVE PRODUCTS RATES AND FEES

The Commission's review of Competitive products finds that revenues for four Competitive products with rates of general applicability did not cover attributable costs and, therefore, did not comply with 39 U.S.C. § 3633(a)(2). The Commission also finds that the Postal Service's Interagency Agreements provided a net contribution to the Postal Service in compliance with 39 U.S.C. § 3704.

## SERVICE PERFORMANCE

The Commission finds that 15 out of 27 Market Dominant products/categories failed to meet their service performance targets in FY 2023 and directs the Postal Service to take corrective action to improve performance. In addition, the Commission has developed directives that are designed to elicit information and data from the Postal Service regarding service performance for non-compliant products and the steps that the Postal Service must take to restore service performance for those products in FY 2024. These directives include continued Postal Service reporting of specific information developed from its internal metrics within 90 days of the issuance of this ACD and as part of the Postal Service's FY 2024 ACR.

### Associated Dashboards

#### *Chapter 2*

The [rate authority dashboard](#) presents data by rate authority type and rate case. Users of the dashboard can compare current rate authorities since the new rules took effect in 2021 to prior CPI-only rates. By hovering over the bar graphs, users can view the individual amounts of each type of authority. The second tab of the dashboard displays the total type of rate authority over a given period. Users can indicate whether to include or not include the authority types. The third tab shows a breakdown of rate increases by class since the new rules were implemented.

#### *Chapter 4*

The [NSA dashboard](#) allows for the viewing of public information consistent with the Commission's current quarterly reporting, including the number and type of NSAs, extensions, and terminations, the number of Non-Published Rate agreements as part of the portfolio, by quarter, and by whole fiscal year.

The Commission's in-depth analysis and associated dashboards are located on the Commission's website, [www.prc.gov](http://www.prc.gov). They may also be viewed using the following direct links:

#### [FY 2023 Annual Compliance Determination](#)

Chapter 2 [Dashboard on Rate Authority](#)

Chapter 4 [Dashboard on NSAs](#)

*The Postal Regulatory Commission is an independent federal agency that provides regulatory oversight over the 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 President designates the Chairman. In addition to Chairman Michael Kubayanda, the other commissioners are Vice Chairman Tom Day and Commissioners Ann Fisher, Ashley Poling, and Robert Taub. Follow the PRC on Twitter: @PostalRegulator and LinkedIn.*