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PRC Issues Advisory Opinion Analyzing USPS Load Leveling Plan

Washington, DC – The Postal Regulatory Commission today issued its analysis of the Postal Service's Destination Sectional Center Facility (DSCF) Load Leveling Plan, designed to facilitate workload equalization throughout the week for processing and delivery of DSCF entered Standard Mail. While the Commission recognizes the potential benefits of the Plan, the limited testing completed thus far is inconclusive regarding the effects of the Plan on a nationwide basis. The Commission is also concerned that the Postal Service has not generated more support within the mailing community for its Plan.

The Postal Service Plan involves a change to the delivery service standard for DSCF entered Standard Mail. Currently, most DSCF entered Standard Mail has a 3-day service standard independent of the day of the week the mail is entered. Under the Postal Service's proposal, the 3-day service standard would change to 4 days for DSCF Standard Mail entered after the Critical Entry Time (CET) on Thursdays and before the CET on Saturdays. The service standard would remain the same for mail entered on Sunday through Thursday.

The Commission's Advisory Opinion provides the following recommendations to the Postal Service for consideration before proceeding with its Plan:

- The Postal Service should perform a cost-benefit analysis at the national level to ensure that the Load Leveling Plan is cost effective, while providing the anticipated benefits;
- The Postal Service should assess the Plan's impact on volume and co-mailing/copalletization activities;
- The Postal Service should perform additional field testing, since the results of the limited testing may not be representative at the national level;
- The Postal Service should further analyze the Plan's effect on service performance; and
- The Postal Service should conduct more extensive customer outreach to obtain a clearer understanding of mailer's questions and concerns.

"The Advisory Opinion process offers a needed forum for interested postal customers to share their concerns. As Postal Service management continues to pursue efforts to preserve and promote the value of the Nation's postal system, it is important that the PRC provides this balanced consideration. The Commission completed its work in less than 90 days and the Postal Service has this valuable assessment at hand before implementation begins," Presiding Officer, Vice Chairman Mark Acton concluded.

The Commission's complete Advisory Opinion may be found under <u>Docket No. N2014-1</u> on the PRC website.

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 Goldway, the other Commissioners are Vice Chairman Mark Acton, and Robert Taub.