Mailers Hub News

The information source for commercial mailers

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In this issue …

Caveat Emptor: Buyer Beware – *Commentary*

Attention members of the commercial mail production community: You're being pitched. After nineteen months in office, and ten months after issuing his 10-year Plan, Postmaster General Louis DeJoy is getting out of his office at USPS HQ and taking his sales pitch to the people.

Actually, his Selling the Plan tour began last year; he appeared at selected USPS facilities, at carefully arranged Postal Customer Council meetings, and in a protracted infomercial during the virtual National Postal Forum. His most recent venue to win friends and influence customers was last week's Mailers Technical Advisory Committee meeting.

A new version

Before the general session on Tuesday, January 11, the PMG hosted a lunch for MTAC leaders who'd been invited to attend in-person what was otherwise a virtual meeting. Those who were asked to lunch weren't there just to be nourished; they were there so the PMG could sell them on his Plan. The selling continued thereafter during his semi-prepared comments to the opening public session.

During Congressional appearances, we'd seen the confrontational and hard-nosed DeJoy; at MTAC we saw the more congenial and conversational version. Each serves a purpose.

Persons who've heard him in person usually are impressed by a manner which, they say, is different from what they'd expected. Hearing DeJoy explain the reasoning behind his Plan, those persons leave with a more sympathetic opinion. That's what was supposed to happen: they got sold.

Sometime between last March and the latter part of 2021, someone at USPS HQ – likely one of the few people from whom he'll take advice – convinced him that if he's to neutralize opposition to his Plan, he'd have to take his case to customers and sell it. Most importantly, he'd have to become a more tactful, less combative version of himself to do so. He'd have to schmooze.

Watch what you sip

Like any good salesman, DeJoy wants listeners to buy what he's selling, so he's charming and engaging when necessary, but listeners need to recognize such schmooze and not be seduced by it. Moreover, in this case, what's being sold is contrary to the best interests of those listening: policies that

can lead to the undoing of their businesses. For those who think such an assessment is negative, cynical, or spiteful hyperbole, let's review a few points that would-be buyers should remember:

- DeJoy's Plan is not the product of collaborative discussion with industry. His inner circle convinced him that what had been said at years of MTAC meetings constituted "input," but there was no industry involvement in the Plan's development.
- Industry comments that don't support his Plan remain unwelcome; during the recent MTAC session, he continued to throw barbs at critics, characterizing what they say as "not credible."
- Supporting the USPS is being equated to supporting his Plan; support for The Plan has become a litmus test of industry loyalty.
- Cautions that his Plan's "judicious and prudent" price increases are excessive and will drive away customers are dismissed.
- Industry warnings that his reduced service standards for First-Class Mail and some Periodicals, paired with higher prices, will encourage diversion and undermine mail volume are rejected.
- Hard-copy mail apparently is seen as a dying business line not worth preserving, while he makes the USPS "a package company."

At MTAC, he was clear that he wants its members (like PCC attendees) to be apostles for his Plan. However, his isn't an invitation to work together to grow mail volume or seek Congressional action. Rather, by his soft-sell he wants industry members to support a Plan, featuring sharply higher prices and degraded service, that he *should* know will hurt their businesses – not a result that any of them should be asked or expected to ignore.

DeJoy is right that USPS finances and service need to be fixed but that doesn't mean he has The Only Right Answers. The Plan he's so stubbornly and uncompromisingly advocating has key parts that are harmful to commercial mail producers and their clients. If industry shares the desire to fix the USPS and may agree with some of his ideas, that should not mean that it has to either swallow his Plan whole or be dismissed as hostile whiners offering meritless arguments.

Unfortunately, his schmoozing has lured some in the industry to sip the Kool-Aid and fully embrace what he's selling. Lulled into sympathetic agreement, they're no longer aware that what they're buying may put them out of business.

USPS FY 2021 *Annual Compliance Review*: Familiar Patterns Continue

On December 29, the Postal Service filed its *Annual Compliance Report* for fiscal 2021 with the Postal Regulatory Commission. As the agency explained, the 2006 Postal Accountability and Enhancement Act

> "... requires the Postal Service to file with the Postal Regulatory Commission, within 90 days after the end of each fiscal year, a variety of data on costs, revenues, rates, and quality of service, in order to 'demonstrate that all products during such year complied with all applicable requirements' of [federal statute]."

Understandably, though the annual *ACR*s are largely data-driven, the Postal Service's narratives seek to interpret that data in a favorable manner, and the 2021 *ACR* was no exception, as can be found in the report's introduction:

> "Overall, the ACR demonstrates that in FY 2021 the Postal Service's Market Dominant and Competitive products were broadly in compliance with the requirements of chapter 36. Competitive product volumes and revenues continued to grow, resulting in Competitive products covering just under 40 percent of all institutional costs. ... On service, the Postal Service was able to achieve sustained improvements in service performance as the year progressed. ..."

As seems to have become a required element of anything issued by the agency, the *ACR* included a plug for the Postmaster General's 10-year Plan, claiming it was "a blueprint for the future ... that sets forth a comprehensive set of initiatives to achieve service excellence for the future."

The first substantive section of the *ACR* dealt with market-dominant products.

First-Class Mail

> "Apart from First-Class Mail Flats, all products within First-Class Mail covered their attributable costs in FY 2021, with most of them contributing significantly to institutional costs. In FY 2021, overall First-Class Mail cost coverage was 193.7 percent, and the class's total contribution was $11.4 billion. ...
>
> "First-Class Mail Flats fell just short of covering their attributable costs. Per-piece costs for First-Class Mail Flats exceeded their per-piece revenue by $0.017, resulting in cost coverage of 98.7 percent for the product.
>
> "Between FY 2020 and FY 2021, First-Class Mail Flats volume dropped 2.4%, a decline of 28.4 million pieces. ... While the revenue per piece increased slightly (2.1%) from $1.282 in FY 2020 to $1.310 in FY 2021, the attributable cost per piece rose from $1.282 to $1.326, an increase of 3.4%. The increase in unit attributable costs for First-Class Mail Flats was driven by higher mail processing and surface transportation unit costs. ...
>
> "On average, the First-Class Flats mail processing unit costs have increased 6.4% each of the past four years. This increase in mail processing costs has coincided with overall flats volume declines. ... Lower productivity values in mail processing operations will necessarily result in higher costs, all else equal. ...
>
> "Out of the 16 First-Class Mail passthroughs, none exceeded 100% in FY 2021. There were 8 passthroughs that were under 85%, while another 8 passthroughs were between 85% and 100%. ..."

The eight passthroughs below the 85% threshold were Automation Mixed AADC letters (61.6%), 5-digit Automation letters (83.3%), Nonautomation Machinable Mixed AADC letters (57.1%), Nonautomation Nonmachinable Mixed ADC letters (20.3%), Automation 5-digit cards (80.0%), Automation ADC flats (81.8%), Automation 3-digit flats (79.6%), and Automation 5-digit flats (84.5%). The USPS said it would seek to address the noncompliant passthroughs in its next rate filing.

The USPS also reported on the 2021 promotions:

Promotion	Volume (millions)	Revenue ($ millions)
Personalized Color Transpromo	890	$7.0
Emerging and Advanced Technology	211	$1.7
Earned Value Reply Mail	480	$9.6 (credits)
Informed Delivery	251	$1.9

Marketing Mail

The USPS stated that

> "... most USPS Marketing Mail products covered their attributable costs in FY 2021. Carrier Route, Parcels, and Flats did not. As a class, USPS Marketing Mail covered its attributable costs and contributed to institutional costs.
>
> "[By statute], when the Postal Service adjusts USPS Marketing Mail prices, the estimated average revenue per piece for USPS Marketing Mail sent by nonprofit mailers must equal, as nearly as practicable, 60% of the estimated average revenue per piece for USPS Marketing Mail sent by commercial customers. For FY 2021, the ratio was 59.20%. ...
>
> "The USPS Marketing Mail Carrier Route product covered 94.5 percent of its attributable costs in FY 2021, down from 96.0 percent in FY 2020. ... The decline in cost coverage appears, in large part, to be driven by the changing Commercial and Nonprofit mail mix. The mail mix between Commercial and Nonprofit has changed, from 92.0% Commercial and 8.0% Nonprofit in FY 2017, to 87.5% Commercial and 12.5% Nonprofit in FY 2021. ... This mail mix change has blunted the price increases that the Postal Service has recently given Carrier Route. ...
>
> "USPS Marketing Mail Parcels covered 73.1% of its attributable costs in FY 2021, a decline from 76.5% in FY 2020. ... The Postal Service remains committed to improving Parcels cost coverage through above-average price increases and continued efforts to improve efficiency. ...
>
> "USPS Marketing Mail Flats covered 60.2% of its attributable costs in FY 2021, down 3.0 percentage points from FY 2020. While per-piece revenue rose from 42.0 cents in FY 2020 to 43.2 cents in FY2021, an increase of 2.9%, this was offset by a 5.3 cent, or an 8.0%, increase in per-piece cost. While Flats volume decreased by 330 million pieces, or 10.3%, with the volume distribution among presort and entry levels remaining similar to last year, the effect

First-Class Mail Product	Volume (millions)	Revenue ($ millions)	Attributable Cost ($ millions)	Contribution ($ millions)	Revenue/ Piece ($)	Cost/Piece ($)	Unit Contribution ($)	Cost Coverage (%)
Single-Piece Letters/Cards	13,921	7,577	5,127	2,450	0.544	0.368	0.176	147.8
Presorted Letters/Cards	35,622	14,098	5,049	9,049	0.396	0.142	0.254	279.2
Flats	1,176	1,540	1,560	(20)	1.310	1.326	(0.017)	98.7
Fees		99						
Seamless Acc. Incentive Payments		(16)						
Total Domestic Mail (incl. fees)	50,719	23,299	11,737	11,562	0.459	0.231	0.228	198.5
Outbound Single-Piece FCM Int'l	105	167	109	58	1.598	1.046	0.552	152.7
Inbound Letter Post	82	60	49	11	0.738	0.604	0.133	122.1
Total First-Class Mail	50,905	23,526	12,146	11,380	0.462	0.239	0.224	193.7

Marketing Mail Product	Volume (millions)	Revenue ($ millions)	Attributable Cost ($ millions)	Contribution ($ millions)	Revenue/ Piece ($)	Cost/Piece ($)	Unit Contri-bution ($)	Cost Coverage (%)
HD/SAT Letters	6,532	1,126	619	508	0.172	0.095	0.078	182.0
HD/Sat Flats & Parcels	9,994	1,787	1,427	359	0.179	0.143	0.036	125.2
Carrier Route	5,042	1,362	1,442	(79)	0.270	0.286	(0.016)	94.5
Letters	41,222	8,971	5,143	3,827	0.218	0.125	0.093	174.4
Flats	2,869	1,240	2,058	(818)	0.432	0.717	(0.285)	60.2
Parcels	36	55	76	(20)	1.530	2.093	(0.563)	73.1
Every Door Direct Mail Retail	542	104	42	62	0.192	0.078	0.115	247.8
Seamless Acc. Incentive Payments		(25)						
Fees		25						
Total Marketing Mail	66,236	14,645	11,220	3,425	0.221	0.169	0.052	130.5

of the price increases on Flats cost coverage was to some degree offset by a change in Commercial versus Nonprofit mail mix. The proportion of Nonprofit Flats has grown from 23.1% of the Flats volume in FY 2017 to 29.1% in FY 2020 and 32.3% in FY 2021.

"The sharp volume decline in Flats, and in flat-shaped mail pieces, is the primary reason that mail processing costs continued to rise at a faster rate than wages. ...

"In FY 2021, only 5 USPS Marketing Mail passthroughs exceeded 100%, down from 6 in FY 2020, 10 in FY 2019, and 14 in FY 2018. .. Twenty-five passthroughs are below 85%, and 19 are between 85% and 100%. ..."

The USPS said it would seek to address the noncompliant passthroughs in its next rate filing.

The five passthroughs that exceeded 100% were Automation 5-digit flats (102.6%), DSCF Nonprofit Machinable and Irregular Parcels (119.8%), DDU Nonprofit Machinable and Irregular Parcels (125.7%), DSCF Commercial and Nonprofit Marketing Parcels (100.6%), and DDU Commercial and Nonprofit Marketing Parcels (129.5%).

The 25 passthroughs that were below the 85% threshold were Nonautomation AADC Machinable letters (43.3%), DNDC letters (77.8%), Nonautomation ADC flats (81.5%), DNDC Nonprofit and Irregular Parcels (43.4%), DNDC Commercial and Nonprofit Marketing Parcels (53.9%), Carrier Route flats (unspecified), DNDC Commercial and Nonprofit HD/HD+/Saturation flats DNDC (78.0%), DSCF Commercial and Nonprofit HD/HD+/Saturation flats (82.2%), Nonprofit NDC Machinable Parcels (64.3%), Nonprofit 5-Digit Machinable Parcels (60.8%), Nonprofit NDC Irregular Parcels (69.3%), Nonprofit SCF Irregular Parcels (66.0%), Nonprofit 5-Digit Irregular Parcels (38.8%), Commercial and Nonprofit NDC Marketing Parcels (78.7%), Commercial and Nonprofit SCF Marketing Parcels (79.5%), Commercial and Nonprofit 5-Digit Marketing Parcels (30.9%), DNDC Carrier Route letters (77.8%), DSCF Carrier Route letters (80.0%), HD letters (22.4%), DNDC HD/Saturation letters (77.8%), DSCF HD/Saturation letters (83.3%), HD flats (83.1%), and Commercial and Nonprofit HD flats (5-Digit Pallets) (45.5%).

Regarding the PRC's annual directive to increase the prices for flats by two percentage points above the class average, the USPS noted that the PRC's final rule issued by the PRC last November contained a similar provision for all "non-compensatory" (underwater) products. The agency added that "this regulation will govern future Market Dominant price cases," meaning that the 2% additional from the November final rule will be applied *in lieu of*, *not in addition to*, the 2% required by the PRC's earlier directives.

The USPS also reported on the 2021 promotions:

Promotion	Volume	Revenue ($ millions)
Tactile, Sensory & Interactive Mailpc Engagem'nt	1.2 billion	$5.4
Earned Value Reply Mail	480 million	$9.6 (credits)
Emerging and Advanced Technology	4.2 billion	$17.9
Informed Delivery	3.1 billion	$13.0
Mobile Shopping	4.5 billion	$20.8

Periodicals Product	Volume (millions)	Revenue ($ millions)	Attributable Cost ($ millions)	Contribution ($ millions)	Revenue/ Piece ($)	Cost/Piece ($)	Unit Contri-bution ($)	Cost Coverage (%)
In-County Periodicals	447	48	108	(60)	0.11	0.24	(0.13)	44.5
Outside County Periodicals	3,232	891	1,661	(730)	0.28	0.51	(0.24)	53.6
Fees		4						
Seamless Acc. Incentive Payments		(1)						
Total Periodicals	3679	942	1,799	(755)	0.26	0.48	(0.23)	53.2

Periodicals

The USPS stated that

"... both Periodicals products failed to cover their costs in FY 2021. Cost coverages for the Periodicals class overall decreased from 56.92% in FY 2020 to 53.24% in FY 2021. The cost coverage of In-County Periodicals decreased from 50.49% in FY 2020 to 44.53% in FY 2021. The cost coverage of Outside County Periodicals decreased from 56.92% in FY 2020 to 53.63% in FY 2021. One reason for the decline is the continued decline in volume, which results in reduced density and higher processing costs.

"Revenue per piece for Periodicals remained at 25.6 cents in FY 2021. Although prices in August 2021 were increased above CPI, the impact of this price increase was seen in only one month in FY 2021. The impact of the CPI-related price increase in January 2021 was offset by a decrease in weight per piece.

"None of the workshare discounts for In-County Periodicals was above avoided costs, and only one workshare discount for Outside Country Periodicals exceeded 100% of avoided costs: 3-Digit Machinable Nonautomation (101.9%). ...

Noting that "While [statute permits] discounts provided in connection with mail matter of educational, cultural, scientific, or informational value to exceed 100% of avoided costs," the Postal Service said it would seek to address the noncompliant passthroughs in its next rate filing.

Package Services

"Overall, the Package Services class's cost coverage improved to 93.2% in FY 2021, from 92.5% in FY 2020. This stemmed largely from the 5.0 percentage points improvement in Media Mail/Library Mail cost coverage, which increased to 84.3% in FY 2021 from 79.3% in FY 2020. ... The cost coverage for BPM Parcels also

improved, increasing to 94.4% in FY 2021 from 93.8% in FY 2020. ... The Postal Service remains committed to improving Package Services cost coverage. ... All other Package Services products covered their costs in FY 2021. ... In FY 2021, no Package Services passthroughs exceeded 100% [but] twenty-five Package Services are between 85% and 100%, while three passthroughs are below 85%. ..."

The USPS said it would seek to address the noncompliant passthroughs in its next rate filing.

"The BPM Flats DDU presort and BPM Parcels DDU presort passthroughs (vs. Origin entry) fell below 85% [while the] Library Mail 5-Digit presort passthrough improved to 83.7% from 45.7% in FY 2020 ... ."

Package Services Product	Volume (millions)	Revenue ($ millions)	Attributable Cost ($ millions)	Contribution ($ millions)	Revenue/ Piece ($)	Cost/Piece ($)	Unit Contribution ($)	Cost Coverage (%)
Bound Printed Matter flats	181	140	119	20	0.77	0.66	0.11	116.9
Bound Printed Matter parcels	227	259	275	(15)	1.14	1.21	(0.07)	94.4
Media Mail/ Library Mail	107	400	474	(74)	3.73	4.42	(0.69)	84.3
Alaska Bypass	1	35	27	8	26.10	20.12	5.98	129.7
Fees		1						
Total Package Services	517	835	896	(61)	1.61	1.73	(0.12)	93.2

Special Services

"All Special Services covered costs in FY 2021, with the exception of Money Orders.

"Most Special Services had a very healthy cost coverage. ... Market-dominant International Ancillary Services covered its costs in FY 2021."

Special Services Product	Volume (millions)	Revenue ($ millions)	Attributable Cost ($ millions)	Contribution ($ millions)	Revenue/ Piece ($)	Cost/Piece ($)	Unit Contribution ($)	Cost Coverage (%)
Certified Mail	156.4	569.0	491.7	77.3	3.64	3.14	0.49	115.72%
COD	0.3	3.5	2.4	1.1	12.96	8.92	4.04	145.29%
Insurance	17.4	105.3	27.5	77.8	6.05	1.58	4.47	383.27%
Registered Mail	1.2	22.3	17.2	5.1	18.77	14.49	4.28	129.53%
Stamped Envelopes	N/A	11.8	8.4	3.4	N/A	N/A	N/A	140.64%
Stamped Cards	N/A	0.6	0.2	0.3	N/A	N/A	N/A	253.11%
Other Ancillary Services	N/A	386.1	274.3	111.8	N/A	N/A	N/A	140.75%
Total Ancillary Services	*N/A*	*1,098.6*	*821.7*	*276.8*	*N/A*	*N/A*	*N/A*	*133.69%*
Int'l Ancillary Services	0.9	9.2	7.1	2.1	9.69	7.51	2.18	129.01%
Caller Service	N/A	87.8	28.3	59.4	N/A	N/A	N/A	309.86%
Address Management Services	N/A	14.7	4.6	10.1	N/A	N/A	N/A	318.82%
Credit Card Authentication	20.5	21.6	3.0	18.6	1.05	0.15	0.91	721.30%
Money Orders	71.5	147.3	166.4	(19.2)	2.06	2.33	-0.27	88.48%
Post Office Box Service	N/A	299.3	136.2	163.1	N/A	N/A	N/A	219.79%
Stamp Fulfillment Services	N/A	7.5	5.5	2.0	N/A	N/A	N/A	136.62%
Total Special Services Mail	N/A	1,685.8	1,195.9	513.0	N/A	N/A	N/A	140.97%

Service

Detailed performance data was in a separate library reference filed concurrently; see the separate article beginning on page 5 that examines that document more thoroughly.

The USPS also measured other elements of customer service.

Delivery Residential and Small Business	FY 2020 Total	FY 2021 Total	YOY Change
Overall Satisfaction (OSAT)	80.94	70.41	-10.53
Mail is delivered to the correct address	81.31	77.12	-4.19
Mail is delivered in good condition	91.46	87.39	-4.07
Letter carriers are friendly and courteous	90.67	88.18	-2.49
Instructions for what to do after receiving a missed delivery notice are clear	81.29	73.84	-7.45
Packages are delivered to the correct address	87.28	82.95	-4.33
Packages are delivered in good condition	91.48	87.23	-4.25
Packages are received by date expected	83.20	70.35	-12.85
How did the most recent interaction make you feel?	84.96	77.07	-7.89
Makes me feel like a valued customer.	77.30	67.71	-9.59

Notable were:

- (The **Point of Sale Survey** is used to measure customer satisfaction with retail service.) "Overall satisfaction ... achieved a score of 84.39 points in FY 2021, 6.03 points lower than the target of 90.42 points. This score represents a 3.07 point decrease as compared to FY 2020. ... The key drivers ... are Employee Positive Attitude and Acceptability of Wait Time in Line. ..."
- "Overall satisfaction as measured by the **Business Mail Entry Unit (BMEU) Survey** achieved a score of 95.66 points, 1.07 points lower than the target score of 96.73. This score represents a 1.06 point decrease as compared to FY 2020. The key drivers for BMEU OSAT are Employee Positive Attitude and Issue Resolution.
- In FY 2021, overall satisfaction as measured by the **C360 Survey** achieved a score of 33.34 points, 21.66 points lower than the target of 55.00%. This score represents a 6.71 percentage point decrease as compared to FY 2020. The primary drivers of this lower customer satisfaction score were "issues not getting resolved adequately" and "not being contacted within a reasonable timeframe." There are three key drivers for C360 OSAT: Successful Resolution, Three Day Final Response, and One Day Contact.

The complete 142-page *ACR* and library references are available from the PRC website (https://www.prc.gov/dockets/daily?filterdate%5Bvalue%5D%5Bdate%5D=12-29-2021).

Observations

As noted, though the numbers are different, much of what's in the latest *ACR* isn't very different from previous iterations. Cost coverage is still problematic for some categories of mail, service performance again is mostly below targets, and efficient processing of flats remains a chronic challenge to which the USPS cannot find an answer. That many issues recur (and remain unresolved) annually is apparent to veteran readers.

Similarly, the USPS has a set of predictable explanations (in FY 2021, the pandemic's impact) and assurances of actions it's taking or planning to correct reported deficiencies. (For the next several years, the PMG's 10-year Plan will be the likely guidebook for all solutions.) Check back in early January 2023 to see if anything really improves.

USPS Reports on its FY 2021 Service Performance

The Postal Service discussed service performance briefly in its FY 2021 *Annual Compliance Report*, but made the majority of its presentation in its *Annual Report on Service Performance for Market Dominant Products*, filed separately on December 29 (USPS-FY21-29, available at https://www.prc.gov/dockets/document/120601).

In the *ACR*, the USPS made predictable observations about its performance and repeated claims of improved service:

> "FY 2021 proved especially challenging from a service performance perspective. The Postal Service was impacted by the COVID-19 pandemic, which led to several factors that had a significant negative impact on service performance: historically high peak season package volume; significantly high employee absences; and reduced supplier transportation capacity. Service performance was also negatively affected by extreme weather and natural disasters. These factors exacerbated the Postal Service's long-standing service performance challenges and led to very low service performance results during the first half of the year. However, the Postal Service was able to achieve sustained improvements in service performance as the year progressed. ..."

The agency also explained its approach to FY 2021 service targets, basically saying that it set them low to be closer to actual performance – and easier to achieve.

> "... the Postal Service initially deferred setting service performance targets for FY 2021 in order to ensure that it could set meaningful targets, considering the extraordinary operating conditions caused by the pandemic. When the Postal Service ultimately set its targets for FY 2021 in May 2021, the targets reflected the low achieved performance during the first half of the year. ...

The service report includes over twenty documents and spreadsheets providing a more granular view of performance and the factors impacting national-level service (the chart on page 6 summarizes district data). The agency noted that its internal measurement system "is designed to measure virtually all three-digit ZIP Code areas in the United States. ..."

- **First-Class Mail.** "... The total mail volume qualifying for measurement was approximately 78% of total Single-Piece Letters/Postcards and 91% of total Single-Piece Flats. Also, approximately 61% of total Presort Letters/Postcards, a decrease of 4% from FY 2020, and 54% of total Presort Flats, down 2% from FY 2020 levels, qualified for measurement.

  "... The Postal Service did not meet its annual target performance for First-Class Mail in any category, however all domestic letter products exceeded their targets in quarters 3 and 4 of the fiscal year. Domestic flats, overnight and two-day, exceeded their targets in quarter 4. ... Transit failures, the highest of all root causes, was a result of overburdened air networks, driver shortages, and delays due to lack of staging space. ..."
- **Marketing Mail.** "... The total mail volume available for measurement in FY 2021 was approximately 69% of all Marketing Mail. In FY 2021, approximately 89% of measured mail was Destination Entry and 11% was end-to-end, which was the same as in FY 2020. Approximately 51% of all Marketing Mail Parcels was measured in FY 2021, and approximately 62% of the total Every Door Direct Mail-Retail volume was measured.

  "... The Postal Service was hindered in PQ-1 by the surge in package volume during the holiday mailing season, as well as decreased employee availability related to COVID. ... These challenges contributed to the Postal Service not achieving its service performance targets for certain Marketing Mail products in the first half of FY 2021. ..."

First-Class Mail	Target	% On-Time	Difference
Single-Piece Letters/Postcards			
Overnight	N/A	N/A	
Two-Day	87.81	87.4	-0.41
Three-To-Five-Day	68.64	64.6	-4.04
Presort Letters/Postcards			
Overnight	93.99	93.7	-0.29
Two-Day	89.20	88.5	-0.70
Three-To-Five-Day	84.11	81.0	-3.11
Flats			
Overnight	93.99	75.2	-18.79
Two-Day	89.20	71.7	-17.50
Three-To-Five-Day	84.11	61.1	-23.01

Marketing Mail	Target	% On-Time	Difference
High Density/Saturation Letters	86.62	92.7	+6.08
High Density/Saturation Flats/Parcels	86.62	85.3	-1.32
Carrier Route	86.62	85.1	-1.52
Letters	86.62	89.5	+2.88
Flats	86.62	72.5	-14.12
EDDM-Retail	86.62	75.7	-10.92
Parcels	86.62	52.7	-33.92
Mixed Product Marketing Letters	86.62	79.3	-7.32
Mixed Product Marketing Flats	86.62	90.0	+3.38

Periodicals	Target	% On-Time	Difference
In-County	86.62	75.6	-11.02
Outside County	86.62	75.0	-11.62

Package Services	Target	% On-Time	Difference
Parcel Post/Alaska Bypass	90.0	NR	
Bound Printed Matter Flats	90.0	61.7	-28.30
Bound Printed Matter Parcels	90.0	97.5	+7.50
Media Mail/Library Mail	90.0	79.2	-10.80

- **Periodicals.** "... Approximately 53% of total Periodicals and 57% of all Outside County Periodicals were included in measurement in FY 2021, both decreases compared to FY 2020. ... Both Inside County and Outside County Periodicals did not meet the target service performance for FY 2021. ... The Postal Service works continuously to right-size mail processing equipment to match current and projected future volumes. In PQ-3 and PQ-4, the Postal Service removed excess Flat Sequencing System (FSS) machines that were not needed to process the current volumes at select sites. These sites became more efficient with their remaining FSS machines. This initiative will be ongoing, with a projected removal of up to 12 machines per FY as needed. ..."
- **Package Services.** "...Approximately 16% of total BPM Flats volume was measured in FY 2021. ... Service performance for BPM Parcels exceeded the FY 2021 target. ... Performance for BPM Flats and Media Mail/Library Mail did not meet the targets; however, the performance score for BPM Flats was slightly better than it was in FY 2020. ..."

Observations

Like the *ACR*, there's little surprising or different in the report on service performance. What is more concerning is that all the publicized levels of service are based on less-than-complete samples of the total volume in a class of mail or samples weighted toward less work-intensive mail. As has been noted previously, service generally cannot be fairly evaluated if only a subset of mail is subject to measurement. Logically, the portion that isn't or can't be measured is likely to be less amenable to efficient processing, and hence receive poorer service. Unfortunately, the USPS isn't candid enough to openly and clearly acknowledge that, perhaps hoping readers won't notice.

The chart below shows quarterly and full-year FY 2021 scores by district for Presorted First-Class Mail letters/cards and flats for overnight, 2-day, and 3/5 day service, based on USPS service data filed as part of the FY 2021 *Annual Compliance Report*.

District	FY 2021 Quarterly and Annual Scores Compared to Targets Established by the USPS Board of Governors in May 2021																												
	Presorted First-Class Mail Letters/Cards															Presorted First-Class Flats													
	Overnight (Target: 93.99)					2-day (target: 89.20)					3-5 day (Target: 84.11)					Overnight (Target: 93.99)					2-day (Target: 89.20)					3-5 day (Target: 84.11)				
	PQ I	PQ II	PQ III	PQ IV	FY	PQ I	PQ II	PQ III	PQ IV	FY	PQ I	PQ II	PQ III	PQ IV	FY	PQ I	PQ II	PQ III	PQ IV	FY	PQ I	PQ II	PQ III	PQ IV	FY	PQ I	PQ II	PQ III	PQ IV	FY
Alabama	90.5	92.8	95.3	95.0	93.3	81.6	83.0	92.7	88.0	86.1	69.4	65.3	83.7	82.9	74.8	50.3	62.1	61.2	82.9	62.8	39.6	49.1	58.3	69.6	52.9	40.3	41.4	63.0	66.6	51.4
Alaska	93.4	98.2	99.0	98.9	97.3	94.9	96.8	97.3	97.4	96.5	80.9	79.9	89.6	91.8	85.2	92.8	97.5	94.6	94.5	94.9	90.9	94.2	91.0	89.5	91.6	65.7	62.8	78.0	83.6	71.5
Albany	93.4	95.3	97.1	96.8	95.6	88.8	87.0	94.5	93.6	90.8	77.2	71.6	84.8	85.0	79.3	74.4	82.8	83.4	92.4	82.6	69.9	67.3	84.8	86.7	76.2	62.5	63.9	78.7	79.4	70.2
Appalachian	94.4	95.9	97.2	96.9	96.0	82.9	82.3	91.3	92.5	86.9	75.6	67.9	84.2	86.1	77.9	86.8	83.1	74.5	76.5	80.7	59.4	68.8	59.2	81.7	66.5	62.9	60.1	64.4	75.4	65.0
Arizona	96.6	97.1	96.9	97.0	96.9	95.7	96.7	96.7	97.6	96.6	81.9	81.8	89.2	90.7	85.6	51.9	87.8	87.4	93.1	78.9	73.6	61.5	83.7	80.1	73.9	64.0	69.9	83.1	85.4	74.6
Arkansas	95.5	92.9	96.4	95.6	95.0	90.1	85.2	93.1	92.3	90.0	82.5	67.1	86.7	85.5	80.1	86.2	79.9	84.1	77.1	82.1	75.0	69.2	79.7	77.9	75.1	66.9	50.5	73.6	75.5	65.7
Atlanta	87.5	93.7	94.7	93.4	92.2	82.8	88.9	91.2	88.4	87.8	76.4	76.6	86.2	83.1	80.3	57.8	34.7	56.6	65.7	52.6	68.0	56.5	76.1	72.5	67.6	59.6	52.5	69.5	67.4	61.6
Baltimore	77.8	51.7	83.5	89.5	74.7	66.9	56.0	78.6	87.7	71.4	56.3	32.6	59.3	76.9	55.1	40.1	50.5	48.6	59.3	49.0	38.4	36.8	50.7	61.2	45.5	38.1	22.1	38.8	57.9	37.8
Bay-Valley	96.6	97.4	97.3	97.3	97.1	95.1	97.1	96.9	95.5	96.2	87.9	85.9	92.9	93.9	89.9	64.4	75.5	92.3	90.2	79.5	71.7	76.0	84.5	87.4	79.2	64.0	68.4	79.2	85.8	73.3
Capital	88.3	80.5	91.4	88.4	87.0	70.5	63.9	86.2	85.0	75.8	67.2	51.1	75.9	81.2	68.0	57.2	56.6	33.6	61.3	52.2	50.4	48.0	59.3	62.3	54.3	48.7	34.4	50.3	60.1	47.4
Caribbean	96.1	96.6	94.6	74.6	92.8	97.8	98.5	97.9	82.0	94.6	74.7	72.2	79.0	66.2	73.3	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	66.0	67.1	76.6	81.0	71.9
Central Illinois	93.5	92.8	94.1	95.1	93.8	87.8	87.6	91.6	92.3	89.7	72.5	65.2	81.6	83.7	75.2	37.0	33.3	59.7	74.4	49.0	61.5	65.2	67.6	77.4	67.2	55.8	48.6	59.0	71.7	57.8
Central PA	77.9	89.3	95.9	95.8	89.3	63.1	70.4	90.9	90.6	77.9	62.2	59.9	82.0	82.6	70.9	53.3	52.9	85.0	88.6	68.0	39.7	50.4	77.8	85.6	61.2	44.5	42.6	73.8	78.3	57.9
Central Plains	95.6	95.4	96.5	94.6	95.5	93.7	93.6	95.0	94.0	94.1	87.3	78.6	88.2	91.3	86.0	81.0	70.2	79.5	77.9	77.0	73.6	79.1	83.9	84.1	79.8	66.4	65.8	78.2	76.9	71.2
Chicago	81.3	82.0	77.5	88.5	82.0	81.6	80.1	82.7	85.9	82.4	72.0	69.5	76.1	79.9	74.0	14.6	24.7	55.3	69.3	38.4	43.7	58.9	53.7	65.7	54.9	39.3	40.9	52.0	50.6	45.1
Colo/Wyoming	84.0	91.8	95.1	94.8	91.2	81.4	78.0	91.0	92.9	85.4	72.2	74.3	87.1	88.3	79.9	73.3	66.3	76.2	77.4	72.8	69.1	75.1	89.6	90.0	80.0	50.4	56.3	71.8	76.4	62.5
CT Valley	95.8	95.5	96.8	96.6	96.2	88.7	87.6	94.3	93.3	90.8	76.4	73.7	86.6	87.4	80.6	68.6	57.0	69.9	75.3	67.0	66.2	59.4	72.3	75.5	67.7	56.3	53.0	69.0	72.8	61.8
Dakotas	97.5	98.2	98.2	96.8	97.7	94.8	96.1	96.5	97.0	96.1	84.3	75.4	85.2	87.0	82.7	92.7	89.5	93.1	94.1	92.2	82.9	81.1	87.9	82.2	83.5	67.2	61.9	72.8	75.5	68.8
Dallas	89.0	86.6	94.8	94.1	90.9	86.3	82.8	93.6	94.2	88.9	79.4	77.6	88.8	89.6	83.5	70.7	44.5	66.2	76.7	63.5	67.5	65.8	82.3	83.7	73.9	58.8	60.6	75.6	78.1	67.3
Detroit	80.8	89.1	89.7	91.9	87.6	78.4	83.2	88.6	93.1	85.4	63.2	63.5	83.7	88.9	73.9	22.5	55.7	59.7	81.7	52.8	22.7	37.2	59.0	77.3	46.6	28.7	38.1	62.1	69.8	47.8
Ft Worth	96.3	95.1	96.1	96.0	95.9	88.8	88.1	94.0	94.2	91.1	83.6	76.6	89.3	89.1	84.3	91.8	92.0	90.2	89.5	91.0	72.8	77.3	74.5	73.0	74.5	68.5	60.1	75.1	74.1	68.9
Gateway	93.0	91.4	93.8	94.6	93.1	87.8	85.9	90.7	91.9	88.9	77.0	67.0	85.7	83.2	77.8	70.3	62.3	52.5	69.2	63.5	61.9	69.1	75.8	74.7	69.9	54.9	47.5	51.5	53.9	51.8
Greater Boston	91.1	94.2	96.6	96.1	94.4	90.7	90.7	94.9	94.2	92.5	76.5	73.1	84.6	86.8	79.8	53.8	52.7	65.0	81.6	61.8	65.1	58.1	66.3	64.3	63.3	51.4	47.5	63.8	64.9	56.0
Greater Indiana	89.6	90.6	89.8	94.2	90.9	83.0	83.9	90.4	92.9	87.2	84.4	81.9	89.2	91.4	86.4	68.0	48.0	77.1	79.2	66.9	57.3	58.8	69.9	73.4	64.0	58.3	50.9	72.4	75.0	63.0
Greater MI	93.0	95.6	96.3	96.1	95.2	86.0	89.7	90.9	91.7	89.4	76.4	76.9	86.6	86.5	81.3	63.6	73.4	86.2	90.4	77.3	49.4	61.5	71.9	83.3	65.1	58.1	60.8	76.1	77.5	67.1
Greater SC	89.0	94.3	94.9	95.9	93.4	81.6	90.7	91.2	90.3	88.3	69.9	72.1	82.6	83.3	76.6	81.3	84.2	84.3	87.5	84.1	83.5	80.7	85.7	86.8	83.9	65.4	64.2	79.6	68.7	69.2
Greensboro	86.3	91.8	93.6	95.2	91.5	77.8	82.4	92.9	94.5	86.4	62.2	63.4	83.3	86.8	73.1	60.8	59.3	71.4	75.0	65.8	64.6	67.1	79.0	78.6	71.6	43.6	49.1	68.8	65.4	55.6
Gulf Atlantic	95.4	95.4	97.2	97.0	96.2	90.2	94.5	95.0	94.4	93.5	76.4	76.3	85.7	84.6	80.4	88.0	91.6	91.7	69.6	86.2	78.8	68.0	78.9	70.1	74.0	61.5	61.5	75.0	73.0	67.1
Hawkeye	95.8	96.4	96.7	96.6	96.4	89.8	91.4	91.8	91.6	91.1	78.3	74.9	87.9	87.8	81.8	83.0	84.6	86.1	88.7	85.3	75.1	80.7	84.4	84.9	80.9	62.5	58.4	73.9	76.7	67.0
Honolulu	95.4	96.9	98.0	96.8	96.8	N/A	N/A	N/A	N/A	N/A	80.9	74.7	81.7	84.2	80.1	91.0	91.0	90.5	86.1	89.9	N/A	N/A	N/A	N/A	N/A	62.5	63.2	71.7	74.7	67.4
Houston	93.7	92.2	96.6	94.9	94.3	87.1	84.1	93.8	93.2	89.3	80.1	77.5	88.4	89.4	83.5	81.6	82.2	86.2	83.1	83.2	72.6	73.5	81.0	82.0	76.8	66.0	62.4	78.2	78.7	70.5
Kentuckiana	91.7	94.4	96.9	97.0	94.9	80.7	87.1	92.4	94.0	88.2	72.7	76.5	87.4	88.2	80.7	87.8	90.3	63.5	83.1	81.7	56.0	65.8	72.7	77.8	67.2	51.9	64.6	74.7	76.9	66.0
Lakeland	93.0	95.3	95.9	94.7	94.7	88.7	92.0	93.2	92.8	91.6	74.2	73.2	84.0	82.8	78.2	71.1	75.4	82.1	82.7	77.3	76.6	79.2	83.8	85.9	80.9	59.8	55.8	73.9	76.3	65.4
Long Island	93.0	91.3	94.4	92.3	92.7	83.0	79.1	91.1	89.7	85.4	71.6	63.7	80.1	78.6	73.1	79.0	76.8	81.5	79.1	79.0	59.6	53.3	69.0	70.2	62.3	59.6	49.2	68.8	65.0	60.0
Los Angeles	93.6	94.6	96.1	94.2	94.6	96.1	96.4	96.9	97.0	96.6	86.3	84.3	90.1	91.1	87.8	66.1	79.6	79.7	80.7	76.2	72.9	85.5	86.2	88.4	82.8	61.3	73.9	81.1	78.9	73.2
Louisiana	92.9	93.3	94.3	95.3	93.9	90.7	90.4	92.2	87.1	90.2	81.7	70.1	83.7	75.3	77.7	86.2	89.0	78.7	84.6	84.9	57.6	53.8	72.2	74.8	63.5	60.9	51.5	63.0	66.6	59.9
Mid-America	91.7	94.0	95.5	95.6	94.1	87.0	87.4	92.9	92.8	89.8	77.8	73.7	83.5	86.2	79.9	64.2	61.0	81.2	77.7	70.2	62.5	67.2	73.9	76.4	69.4	54.1	52.4	70.1	72.1	61.1
Mid-Carolinas	94.2	96.1	96.5	96.3	95.8	79.8	85.8	92.2	93.2	87.4	78.8	77.3	90.1	89.2	83.5	83.2	83.0	77.1	79.7	81.0	68.2	68.3	79.5	79.6	73.3	65.3	65.3	77.4	76.8	70.6
Mississippi	92.6	92.6	94.3	90.5	92.6	84.7	81.0	92.3	86.5	86.0	71.6	62.0	83.1	81.9	74.1	69.6	85.7	45.1	64.0	67.1	54.4	64.3	61.8	44.3	56.9	53.2	42.1	62.3	66.5	55.0
Nevada Sierra	97.2	97.5	98.1	98.2	97.7	92.0	90.2	94.3	95.0	92.7	87.4	84.3	90.7	92.5	88.5	91.3	92.8	90.2	92.5	91.7	83.9	87.9	85.3	87.3	86.0	59.6	73.0	82.0	84.2	73.8
New York	88.8	88.6	89.5	86.2	88.4	83.0	80.6	89.2	85.0	84.3	75.1	65.6	83.9	78.9	75.6	16.7	50.7	94.4	93.0	60.5	74.8	66.3	80.8	81.1	75.2	65.9	55.6	73.7	74.0	66.5
Nthn New Eng.	94.9	95.2	96.8	96.1	95.7	92.0	91.4	94.7	93.8	92.9	74.3	66.9	81.0	84.2	76.1	88.4	90.2	93.5	87.8	90.0	74.1	72.4	86.6	85.6	79.0	57.4	57.7	74.2	74.9	65.1
Northern NJ	92.0	90.3	94.4	92.0	92.1	85.5	78.8	92.3	88.2	86.0	81.6	78.0	90.9	87.5	84.3	79.4	74.9	84.1	80.9	79.6	72.7	61.1	76.0	75.4	70.8	66.6	57.0	75.5	71.7	67.1
Northern Ohio	74.0	72.6	92.9	96.1	83.1	68.3	69.2	90.3	92.6	79.2	64.1	52.2	82.9	89.0	70.9	65.7	35.4	74.7	82.0	62.7	51.2	41.1	71.4	77.7	58.6	48.1	42.9	71.3	75.6	57.8
Northern VA	94.0	94.3	95.1	95.8	94.7	79.4	74.7	88.7	87.9	82.3	72.2	63.0	83.4	85.3	75.3	87.5	88.8	91.3	85.2	88.3	58.4	63.5	68.8	74.7	65.7	66.8	59.8	77.7	71.4	68.4
Northland	90.0	95.3	95.8	96.4	94.2	87.6	92.4	92.0	90.9	90.7	73.8	73.7	82.0	84.0	78.0	79.7	77.5	82.4	76.9	79.2	75.7	75.8	77.3	74.9	75.9	53.1	54.2	73.1	66.8	61.0
Ohio Valley	87.0	92.5	94.0	92.3	91.4	73.5	77.7	89.3	93.2	82.8	72.0	69.7	85.0	86.7	77.8	79.0	73.7	86.7	86.7	80.9	52.2	57.2	72.8	79.8	64.2	60.4	58.0	73.3	76.1	66.0
Oklahoma	96.0	94.9	96.6	96.2	95.9	88.5	85.6	94.3	92.4	90.0	84.4	72.3	87.2	87.7	82.5	93.8	88.9	93.4	92.7	92.1	75.4	75.3	80.4	84.9	78.5	66.2	60.2	75.8	77.5	69.1
Phila Metro	73.8	66.4	91.3	92.5	80.2	67.9	59.3	86.3	89.5	74.8	61.1	51.4	78.6	82.5	67.5	31.9	16.8	31.5	56.1	32.4	41.9	33.5	57.3	72.6	49.5	39.4	27.6	47.3	67.6	43.7
Portland	96.8	97.1	97.5	97.7	97.2	94.1	96.3	96.8	97.3	96.0	85.0	80.4	89.4	90.9	86.1	86.9	83.2	81.7	84.7	84.1	84.9	79.8	88.4	83.1	84.0	72.2	73.2	83.5	84.2	77.7
Richmond	92.0	89.7	92.3	92.7	91.6	77.0	62.1	84.2	87.1	77.0	73.4	58.2	79.1	82.7	72.7	46.5	25.3	25.3	62.4	38.6	33.6	24.7	41.0	52.8	36.8	47.7	28.8	45.4	58.0	43.9
Rio Grande	94.2	93.0	94.7	94.2	94.0	91.0	83.6	93.3	93.8	90.2	85.8	72.6	87.9	88.9	83.4	89.8	73.1	88.7	89.9	84.9	79.2	62.9	78.9	78.7	74.5	73.3	54.8	77.3	82.4	70.9
Sacramento	94.3	95.0	96.2	96.2	95.4	94.9	96.8	97.0	95.7	96.1	85.1	81.8	87.7	88.3	85.5	80.0	81.0	76.9	76.9	78.9	80.8	87.1	88.8	88.0	86.0	70.9	69.0	75.7	78.5	73.1
Salt Lake City	96.0	96.2	96.9	96.6	96.4	96.1	96.0	97.0	97.8	96.7	84.0	78.7	87.1	88.8	84.4	80.9	79.0	81.2	85.3	81.3	78.1	72.5	73.7	84.9	76.8	66.2	59.9	69.9	75.1	67.1
San Diego	96.4	97.3	97.9	97.6	97.3	94.4	96.2	96.8	96.9	96.0	84.1	86.5	88.8	91.1	87.4	83.5	86.5	85.2	82.2	84.5	75.4	83.5	84.4	86.7	82.1	61.5	72.0	78.4	79.5	72.2
San Francisco	95.4	96.1	96.9	97.7	96.5	94.8	96.0	97.0	96.3	96.0	89.6	88.3	92.7	92.3	90.6	76.4	74.7	86.2	93.9	81.8	74.9	80.2	84.8	89.8	81.8	73.1	73.1	79.4	85.0	77.1
Santa Ana	97.6	98.1	98.2	97.9	97.9	96.0	96.8	97.3	96.9	96.8	85.7	86.0	89.8	89.5	87.6	91.2	92.8	93.7	92.8	92.6	83.3	86.8	87.8	88.1	86.3	72.9	72.6	82.2	82.3	77.0
Seattle	94.8	96.2	96.5	96.1	95.9	92.6	94.4	95.8	96.2	94.7	79.6	77.0	86.3	87.9	82.3	87.4	64.5	79.5	81.6	77.9	82.3	62.2	53.8	73.0	67.9	59.0	60.5	76.1	78.3	67.5
Sierra Coastal	97.1	96.9	97.5	97.0	97.1	95.8	96.2	97.3	96.9	96.5	88.2	88.0	92.2	92.7	90.1	82.5	84.7	83.9	89.0	84.8	77.8	86.3	88.2	86.4	84.4	70.5	75.9	84.8	84.4	78.3
South Florida	92.1	96.1	96.1	95.5	94.9	92.1	93.4	94.2	93.3	93.2	76.6	73.8	81.6	85.6	79.0	43.2	69.9	52.9	67.1	57.9	46.0	73.5	62.7	61.5	60.9	42.2	47.6	47.3	59.5	48.5
South Jersey	93.8	90.4	97.3	97.1	94.5	79.3	73.3	92.3	90.7	83.4	70.4	66.3	85.4	83.3	75.8	87.3	82.1	90.9	88.6	87.0	62.1	61.3	79.4	74.4	68.6	56.2	53.9	71.3	68.4	61.7
Suncoast	96.0	96.6	96.9	97.1	96.6	93.4	95.6	96.0	95.6	95.1	82.6	82.6	88.5	89.1	85.5	57.4	78.7	83.3	84.4	75.1	49.1	80.9	76.4	76.7	70.2	66.6	66.1	75.5	79.8	71.3
Tennessee	88.7	91.6	94.7	94.8	92.3	82.5	84.1	89.7	90.3	86.4	74.6	64.7	82.6	83.6	75.9	58.2	53.4	60.7	69.3	59.7	50.6	57.2	67.5	67.8	60.0	49.6	49.7	67.1	66.1	57.2
Triboro	84.9	78.3	89.1	91.1	85.5	84.0	79.7	90.9	89.3	85.7	74.2	66.8	84.1	81.6	76.3	57.1	57.5	64.8	78.3	63.4	69.6	59.0	75.7	78.8	70.0	60.4	50.8	72.1	74.6	63.4
Westchester	80.7	88.9	96.0	85.4	87.8	83.7	81.9	93.1	91.2	87.2	74.6	68.7	85.1	84.7	77.8	57.1	77.8	82.8	78.5	73.5	52.0	59.9	78.1	78.1	65.8	48.9	57.4	75.9	72.2	62.5
Western NY	95.5	96.4	96.9	96.6	96.3	89.4	89.6	96.0	95.5	92.4	79.6	75.1	88.6	88.6	82.6	83.0	82.2	95.8	91.3	87.5	70.9	64.7	82.9	82.0	74.3	64.2	56.2	76.0	78.4	67.7
Western PA	95.1	97.3	97.9	96.7	96.7	78.8	82.6	92.5	93.2	86.4	77.1	75.1	87.8	87.5	81.5	84.9	77.3	89.9	91.3	85.2	60.7	70.4	86.4	86.8	74.9	69.2	60.0	80.6	81.0	71.8

Districts scoring	Number of Districts by Level of Target Achievement																													
	Overnight – 93.99					2-day – 89.20					3/5-day – 84.11					Overnight – 93.99					2-day – 89.20					3/5-day – 84.11				
Target or better	29	38	55	52	40	26	28	59	54	36	14	7	41	46	17	0	1	3	2	1	1	1	2	3	1	0	0	1	6	0
< 10 pts below	31	23	10	14	23	30	26	6	12	25	33	24	25	20	38	19	17	24	26	19	8	13	26	28	14	0	1	31	34	5
< 20 pts below	6	3	2	1	4	6	7	1	0	5	14	25	0	1	11	16	20	20	27	21	22	11	21	26	23	23	15	22	21	35
< 30 pts below	1	2	0	0	0	4	4	0	0	0	6	7	1	0	1	11	7	5	7	8	14	23	8	6	18	25	26	6	4	18
< 40 pts below	0	0	0	0	0	0	1	0	0	0	0	3	0	0	0	8	8	7	4	9	11	10	7	1	6	12	15	6	2	6
< 50 pts below	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	5	7	4	0	5	6	3	1	1	2	6	7	1	0	3
50 + pts below	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	7	6	3	0	3	3	4	0	0	1	1	3	0	0	0
Average score	91.6	92.2	95.1	94.6	93.3	86.1	85.9	92.7	92.4	89.1	77.0	72.1	85.2	86.0	79.7	70.6	70.9	76.6	81.2	74.3	65.0	66.4	75.4	78.0	70.6	58.7	56.2	71.2	73.7	64.1

State Taxes: The Other Shoe to Drop

The following article was produced exclusively for Mailers Hub by Martin Eisenstein and Jamie Szal of *Brann & Isaacson*.

This also will be the topic of the January 18 Mailers Hub Webinar.

Brann & Isaacson is a boutique law firm that represents large and small online and multichannel companies, printers, commercial mail producers, and IT service providers located across the country. The firm advises companies of all sizes, including many in the Internet Retailer's Top 500 Guide.

The firm is the Mailers Hub recommended legal counsel for mail producers on legal issues, including tax, privacy, consumer protection, intellectual property, vendor contracts, and employment matters. The points of contact at Brann & Isaacson are: Martin I. Eisenstein, meisenstein@brannlaw.com; David Swetnam-Burland, dsb@brannlaw.com; Stacy O. Stitham, sstitham@brannlaw.com; and Jamie Szal, jszal@brannlaw.com. They also can be reached by phone at (207) 786-3566.

You may have heard, indeed possibly from the authors of this article, that the US Supreme Court's 2018 decision in *Wayfair v. South Dakota* changed the standard for sales tax obligations for companies. In the wake of that case, an online company may be required to collect and remit a state's sales tax, based merely on sales to persons in a state, even if it has no physical presence or activity in the state.

Mail producers

You probably thought, "What does that have to do with me and my business as a commercial mail producer or broker of direct mail materials and related services such as data processing and list rental?" Well, the short answer is that it has a lot to do with your business, because you may be tagged with sales tax liability based upon the volume of mailings you produce and deliver for your customers into a state. Even though you may consider yourself in a service industry, in most states producing and delivering direct mail constitutes the sale of tangible personal property and, therefore, is subject to the sales tax.

Previously, the lack of activities of your business in a destination state shielded the business from sales tax obligations in that state. *Wayfair* changed that picture not only for online companies but for *any* company selling tangible personal property at retail.

That's not the only potential implication for your business from the *Wayfair* decision. States have not stopped with sales taxes, but have taken the position that *Wayfair* authorizes them to impose state income tax, gross receipts taxes, and other taxes on businesses in the nature of taxes on net worth or capital stock taxes, if a company has a minimal level of sales or receipts in the state. This "economic presence" position will affect both online retailers and all other businesses alike.

Defense

But there are defenses to attempted enforcement of economic presence by a state against out-of-state companies. The primary defense, with regard to state income taxes, is a federal statute called Public Law 86-272. That statute provides that if an out-of-state company's activities in a state are limited to the solicitation of the sales of tangible personal property, it is not subject to the income tax of the state.

There are important caveats regarding the federal statute:

- First, it relates only to income taxes, and not to the other state taxes.
- Second, courts may narrowly read the statute, and the states bridle at the imposition of this limitation on state tax authority by the federal government through a federal statute, and as such aggressively seek a narrow interpretation. (Under the Commerce Clause of the US Constitution, the states are not permitted to ignore a federal statute.)
- Third, the literal language of the statute will protect an out-of-state company as long as the company (i) does not engage in any activities in the state through employees or through agents or representatives of the company, unless those activities are related to the solicitation of sales of tangible personal property (solicitation of the sales of services is not protected); and (ii) doesn't accept orders in the state or ship direct mail materials from a location in the state.

The difficult part in your industry, however, is limiting solicitation activities in other states to the sale of direct mail materials. To give you an example of the challenges direct mail producers face: a company may seek to sell services such as data processing services in connection with selling print production. Print production alone may be eligible for protection, but adding in solicitation of the data processing service takes the activity beyond the boundaries of the federal statute's protection. In addition, some companies go well beyond the protections as described above by, for example, shipping the materials from a location in the state and delivering those materials to an end-destination within the same state.

There are other defenses under the state statute and Constitution that can be raised in connection with gross receipts taxes and franchise taxes. And with regard to sales taxes, certain states provide tax exemptions for direct mail materials, depending on the type of mailing and from where the mailing is made.

Be proactive

The "bottom line" is that a company should not wait for the other shoe to drop before taking action, but instead proactively make sure its house is in order before a state tax agency goes after the company for payment of state taxes.

We do know of some state tax agencies that have started directing their attention to direct mail producers and brokers, but thus far that is limited to four or five states. But it is only a matter of time before more states do come calling – and when they do, it will be important that you have adequately reviewed your nexus profile to make sure you have not exceeded the exemptions and exclusions from tax, and maximized exemptions from taxability of sales taxes.

In short, direct mail producers and brokers have potentially more significant exposures to state taxes than have existed in the past.

In the Mailers' Hub Webinar scheduled for 1pm ET on January 18, we will explore safeguards and ways to limit your exposure, including analysis of the implications of income tax liability for a pass-through entity and C corporation in the event your company does have nexus. We hope that you will have a chance to attend.

USPS Announces Price Increase Schedule – *Analysis*

As most members of the mailing community already know, a foundational element of the Postmaster General's 10-year Plan is the aggressive pursuit of revenue to overcome what the plan forecasts to be a $160 billion shortfall over the period. Much of the needed revenue is to be derived from frequent price increases on market-dominant products, based both on what's allowed under the CPI cap and on what was further permitted by the Postal Regulatory Commission's November 2020 final rule.

The first demonstration of the PMG's "judicious and prudent" pricing strategy was demonstrated by the 6.8% rate increase proposed last May and implemented in August. After foregoing another bite at the revenue apple in January 2022, the Postal Service's next rate increase will be effective July 10, subsequent to a filing expected in April.

In the future, semi-annual increases are planned, and the Postal Service officially notified the PRC of that intent in a January 11 filing:

UNITED STATES POSTAL SERVICE FILING OF UPDATED SCHEDULE FOR REGULAR AND PREDICTABLE RATE ADJUSTMENTS

(January 11, 2022)

[PRC] Rule 3030.102 requires the Postal Service to maintain a Schedule for Regular and Predictable Rate Adjustments with the Postal Regulatory Commission. Consistent with Rule 3030.102, the Postal Service hereby files its updated Schedule, as appended hereto. As indicated therein, the Postal Service intends to next adjust Market Dominant prices in July 2022.

As required by Rule 3030.102, the appended Schedule provides estimated filing and implementation dates for future rate adjustments over the next three years and provides information sufficient to predict the amounts of those future rate adjustments. In addition, the Postal Service plans to file updated pricing schedules each year when it publishes its Annual Compliance Report in December.

Schedule for Regular and Predictable Rate Adjustments – Effective through Calendar Year 2024

The Postal Service next expects to implement price changes for all Market Dominant classes on July 10, 2022, with the filing occurring in April 2022. The Postal Service intends to be judicious in the use of available pricing authority, but anticipates the prospect that, given our current financial condition, the price change for each Market Dominant class may be required to apply most or all pricing authority available on the date of filing.

The Postal Service expects that, in each subsequent year, it will implement price changes for all Market Dominant classes in January and July of such year, with the filings occurring the preceding October and April, respectively. The Postal Service intends to be judicious in the use of available pricing authority depending on our financial condition, but anticipates the possibility that the price adjustment for each Market Dominant class may be required to apply most or all pricing authority available at the time of filing.

The agency's filing perpetuates its ironic and disingenuous use of "judicious" to describe a policy of frequent prices increases that are as large as legally allowed. However, below that annoying practice are more troubling questions.

Cross-purposes

Considered on its own, the PMG's determination to right the Postal Service's financial ship is not an unreasonable goal. Whether the $160 million bogey is accurate can be debated, as can the financial projections supporting it, but the indisputable fact remains that the agency is deeply in debt and that such a circumstance cannot continue indefinitely.

What *is* questionable – to the annoyance of the PMG – is whether the best way to offset that estimated loss is by squeezing as much revenue as possible from market-dominant products. Many observers of the broader postal business question why his focus is so narrow – looking at price increases on a set of products already facing competition from much less costly alternatives (e.g., email), and not on the other financial elements that, admittedly, might not be such "low-hanging fruit."

To some, unless the strategy is to extract every dollar possible before the business collapses (as some observers think it to be), it's frustrating that the PMG is ladling added price increases on top of service cuts for types of mail that can be diverted easily to electronic communications. Though he would never accept this conclusion, many believe that those two strategies are actually working to hasten volume and revenue loss.

Industry representatives who've listened to the PMG notice that he doesn't connect the dots of decreased service and higher prices to the loss of the bedrock revenue sources on which the USPS has been built. To some, he's dismissive, unaware, or indifferent to the sensitivity of many ratepayers to what he's doing, or has been persuaded by advisors who say price sensitivity doesn't exist or, alternatively, that the USPS should bleed remaining market-dominant mail for every available penny because it's evaporating anyway – get what you can while it lasts, essentially.

Meanwhile, those observers ask, what about other sources of revenue? The PMG says that the agency's mission of delivering to 160 million addresses six days a week is "inefficient" yet, if this (and rural post offices) are part of its *public service* mandate, why is *public finding* not being sought? Arguably, if the USPS is supposed to be operated in a "business-like manner," ratepayers should not be expected to underwrite costs that are outside what such an organization would do in the normal course of business.

Similarly, given the cash flow generated by the agency, some financially-shrewd observers question why its cash management and investment strategy is, or has been allowed to be, one that suboptimizes returns.

Then there's the "third rail" of labor costs, the majority of USPS expenses. If adding thousands of career employees and recently agreed-to contracts are any indication, DeJoy prefers adding (not cutting) labor costs rather than risk aggravating the unions (and their friends on the Hill).

It's fair to say that most commercial mail producers and their clients want the USPS to be financially sound, but it may be equally fair to say they wouldn't support a treatment that has a greater chance than not of killing the patient.

Market Tests: One Starts, Another Ends

Though commercial mail producers may be familiar with the existing classifications and products of mail and USPS services, a less visible process exists under which potential new types of mail can be evaluated. As provided by statute (39 USC 3642), the Postal Regulatory Commission has a process (documented in 39 CFR 3045) to review Postal Service proposals for new products. Under authorized "market tests," the USPS can determine customer interest in a proposed product and its potential for permanent availability. Two examples of such tests were noted earlier this month.

Test started

In a January 4 order, the Postal Regulatory Commission approved the Postal Service's November 10 request for a market test of USPS Connect Local Mail. Though similarly named to USPS Connect Local, a package service approved December 21, 2021, for a separate market test, USPS Connect Local Mail is a service for document delivery. As described in the PRC's notice:

> "The Postal Service proposes to introduce USPS Connect Local Mail, an experimental offering derivative of First-Class Mail, as an alternative to long-distance, end-to-end mailing for use by business mailers who wish to send mail locally with regular frequency. The Postal Service asserts that 'local document delivery could benefit from increased competition, and that economical local document delivery is a market that is currently underserved by [the Postal Service].' As such, according to the Postal Service, USPS Connect Local Mail (as well as its planned package-focused counterpart, USPS Connect Local) is designed to offer improved access to the Postal Service network for local mailers and will leverage the Postal Service's current 'last-mile infrastructure to create economical new solutions for customers.'
>
> "The Postal Service states that USPS Connect Local Mail will be available at destination delivery units (DDUs) or by carrier pick-up in the line-of travel (LOT). It also states that it will offer same-day or next-day delivery, 6 days per week, with customers receiving same-day or next-day delivery based on whether they have entered their mail within the critical entry time. The Postal Service adds that it will offer tracking services for USPS Connect Local Mail. According to the Postal Service, '[d]ocuments mailed using this service must be paper-based and may contain personal information.'
>
> "The Postal Service plans to offer USPS Connect Local Mail at $2.95 for a letter or flat- size mailpiece with a weight of up to 13 ounces. It will allow customers to pay for this service using Click-N-Ship. According to the Postal Service, USPS Connect Local Mail will cover its attributable costs, which it estimates to be $2.03 per piece based on the volume-variable cost of Priority Mail flats, modified to reflect differences in mail processing, transportation, and packaging costs. The Postal Service states that USPS Connect Local Mail will be tested nationwide with a phased rollout."

The market test began January 9, 2022, and runs through January 8, 2024. At that point, the USPS can end the test, seek a one-year extension, or request that the PRC make the product a permanent offering listed in the Mail Classification Schedule.

Test ended

Meanwhile, in another order issued January 4, the Postal Regulatory Commission added Plus One to the Mail Classification Schedule, making it a permanent USPS product. Plus One had been available under a two-year market test started in September 2019 and extended for another year in June 2021.

On November 21, the Postal Service petitioned the commission to make it a permanent product "as an optional feature for USPS Marketing Mail High Density and Saturation Letters." As described in the PRC's order:

> "Plus One is an advertising card mailed as an add-on mailpiece with a USPS Marketing Mail Letters marriage mail envelope."

Several preparation requirements were applied during the market test. In its order making Plus One a permanent product, the PRC did not indicate whether all those requirements would continue, but it did state that "Requirements would continue to include that the host marriage mailpiece be at least 90% Saturation, and that the Plus One advertiser have a relationship with the host mailer." Though the USPS tested the product at four different price points, ranging from $0.085 to $0.10, the price for Plus One as a new product was set at $0.10 per card.

On January 12, the USPS published a final rule in the *Federal Register* that included the DMM standards for Plus One. The primary new standards are in new DMM 602.11:

11.0 Commercial Plus One Mailpieces

11.1 General

11.1.1 Definition

The commercial mail Plus One product is a bundled offering consisting of a host mailpiece and a Plus One card. Both the host mailpiece and the Plus One card must meet the applicable basic standards of a USPS Marketing mail saturation letter in 245.6.0, be entered at a destination sectional center facility (DSCF), and meet automation standards with a correct mailing address and intelligent mail barcode, (IMb). The Plus One mailpiece (card) must meet the following additional standards:

- Have at least a six-month relationship with the host mailer.
- Be addressed to the same delivery points as the host mailpiece.
- Be sorted and presented separately from the host piece.
- Must not exceed 6 inches long by 9.5 inches high.
- Must be at least 0.009 inches thick, card stock.
- Must have ''Plus One'' marking directly below Permit indicia.

11.1.2 Mail Preparation

Each Plus One mailing must be trayed and labeled according to 245.6.7. Palletized mailings must be prepared according to 705.8.10.3.

11.1.3 Documentation

When requested by USPS, Plus One mailpiece mailers must provide standardized documentation according to 203.3.0, to establish that the applicable distribution standards are met. Spoilage of host pieces may affect eligibility to mail Plus One pieces in the following manner:

a. File must show that at least 90% of host pieces are saturation mail, the remainder may be high density or high density plus.

b. The total number of Plus One pieces must be less than or equal to the number of host pieces.

11.1.4 Extra Services

Items mailed with Plus One mailpieces may not be combined with any extra service.

OIG Audit Examines Employee AWOL Impact on Service

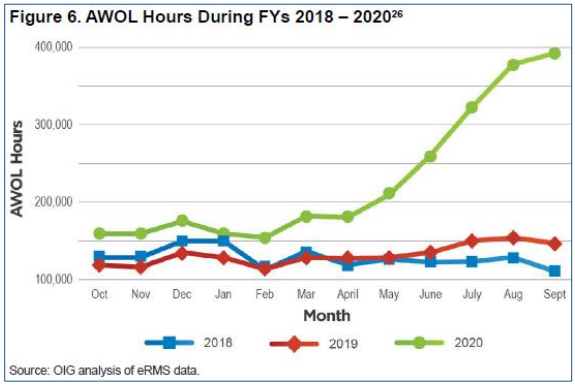
All employers have had to contend with employee absenteeism during the ongoing pandemic, and the Postal Service has been no exception. The impact of absenteeism – especially unscheduled leave – on USPS operations was the focus of an audit by the USPS Office of Inspector General, *Unscheduled Leave – Absence Without Leave (AWOL) Status*, issued January 7. Describing the background situation, the OIG stated:

> "In March 2020, the president declared COVID-19 to be a national emergency and signed the Families First Coronavirus Response Act into law. Following that act's expiration, the American Rescue Plan Act was signed into law in March 2021. Both acts allowed eligible federal employees to take additional emergency paid sick and family leave.
>
> "Given the new laws, the Postal Service worked with its unions to implement a liberal leave policy to temporarily expand employee leave options. To use emergency and liberal leave, employees were required to provide documentation validating their absence."

Findings

The OIG offered several findings:

> "**Inconsistent Management of AWOL Employees.** Opportunities exist for Postal Service facility managers and supervisors to improve management of AWOL employees. Specifically, while the Postal Service has criteria for managing AWOL employees, managers and supervisors did not always properly record AWOL hours, used different guidance to execute progressive discipline, and did not always collect or maintain supporting documentation for employees on AWOL. ... While managers and supervisors responsible for recording AWOL employees' leave often referred to policy on leave control, the guidance was conflicting and led to inconsistent interpretation. ...
>
> "Supervisors are responsible for starting the disciplinary process and following the necessary steps. District offices developed their own processes and template letters based on disciplinary guidance and union agreements to address AWOL employees' behavior because there was no standardized guidance for how to discipline AWOL employees on extended AWOL, leading to districts using different disciplinary processes to discipline them. ... In addition, although district offices developed their own disciplinary guidance for AWOL employees, supervisors did not always follow the guidance. ...
>
> "COVID-19 and the use of liberal leave had a significant effect on the total number of AWOL hours during FY 2020 because employees who did not validate their absences with appropriate supporting documentation were put in AWOL status. As illustrated in Figure 6, in September 2020 there were 392,367 AWOL hours, compared to September 2019 when there were only 147,086 AWOL hours. AWOL hours continued increasing into FY 2021, reaching nearly 500,000 AWOL hours by December 31, 2020.



> "We compared nationwide data from FYs 2018 through 2020 for AWOL hours to national service performance, overtime, and penalty overtime by performing a correlation coefficient analysis. A positive correlation suggests that as the number of AWOL hours increased, the specific metrics would increase as well. Similarly, a negative correlation would indicate that as the number of AWOL hours increases, the metrics would decrease.
>
> "Based on the analysis, there was a strong, negative correlation between AWOL hours and service performance, meaning that as AWOL hours increased, service performance decreased. Further, there was a strong, positive correlation between AWOL hours, overtime, and penalty overtime, meaning that as AWOL hours increased, overtime and penalty overtime increased as well."
>
> "**Inadequate Systems Oversight for Documentation.** Postal Service facility management and supervisors did not always upload employees' disciplinary and health benefit documentation into the employee's [official personnel file]. ... The Postal Service has conflicting criteria detailing which disciplinary and health benefit documents should be maintained in employee's [file] and locally by Labor Relations. Additionally, Labor Relations and local services did not always verify if all appropriate documentation was uploaded in the [file]. ... Further,... we estimated the Postal Service paid about $11.4 million in health benefit premiums during FYs 2018 through 2020 by continuing to pay employees' premiums while they remained in extended AWOL status. ..."

The OIG offered several recommendations focusing on updating and clarifying policy guidance, and training supervisors and managers to ensure consistency in its application. The OIG noted that USPS management "generally agreed with all the recommendations but disagreed with some of the findings and assumptions in the report."

Meanwhile

It may be worth noting that, as reported by the OIG, while the postal workforce is 77% career employees and 23% non-career, career workers accounted for 89% of the unscheduled leave hours over the 2018-2020 period covered by the OIG's audit.

Coincidentally, two articles related to postal absenteeism appeared in the January 10 issue of *FEDweek*.

One reported on the OIG's audit and its findings about the correlation of AWOL employees and service performance.

The second reported that "Federal agencies used only about two-thirds of a special leave fund created by a pandemic relief law enacted early in 2021, with the USPS accounting for the large majority." Of the $571 million in the fund, only about $361 million had been spent by agencies, with the Postal Service alone drawing $268 million. Of the 13.4 million hours charged to the fund, 10.5 million came from the Postal Service.

The fund allowed agencies to pay up to 600 hours of additional leave "for employees who cannot work due to certain pandemic-related conditions," including being quarantined or ill with COVID, caring for a child or family member who was ill, or caring for school-age children unable to attend schools that had switched to home-based learning. "That leave was payable at the employee's regular rate of pay, with a cap of $2,800 biweekly."

Reports have shown that employee absenteeism declined sharply once the program ended.

MTAC News and Notes

The Mailers Technical Advisory Committee held its first 2022 meeting last week, once again virtually for most attendees though some in MTAC leadership were invited to attend in person. The format followed the pattern that's been in place since meetings became virtual in 2020: a Tuesday afternoon general session followed by focus group meetings from late morning through late afternoon on Wednesday.

Tuesday general session

Following tradition, the Postmaster General opened the session, speaking for about an hour, occasionally from notes but mostly extemporizing about the topic at hand. As would be expected, he opened by reviewing the recent peak season, crediting its success to planning and collaborative work by senior executives.

He observed that "we didn't kill people this year," referring to how in the past the USPS pushed "stuff down to the lowest level in the organization and that's where the greatest amount of accountability was" but "we've changed that now and I created several accountabilities right here."

Interestingly, after praising the work of colleagues that made peak season run much more smoothly than last years' he complained that "we didn't make any money."

He spoke positively about recent labor contracts and argued that converting part-time employees to career status "is extremely meaningful, a winner for the organization, a winner for the mail, [a] winner for everybody."

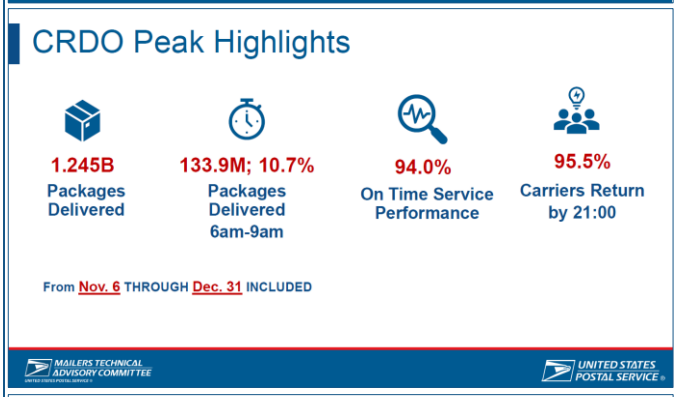
He repeated some of the bases for his Plan ("sending more and more empty trucks each year around a nation chasing declining mail volumes") and his approach to increasing revenue ("we used our new pricing authority ... as soon as we got it, we used it. I said ... we would use it judiciously and I really feel that we have. ... [Referring to the PRC] From my standpoint, they should have gone backwards more in terms of looking at ... where we are. We're happy we got it. [There's] a lot of discussion about the ... twice a year, raise and so forth, but the fact is that, after we did the first we had another 1.9 points. ... And that's percentage points that we could've use in January, and we didn't and that's using it judiciously.")

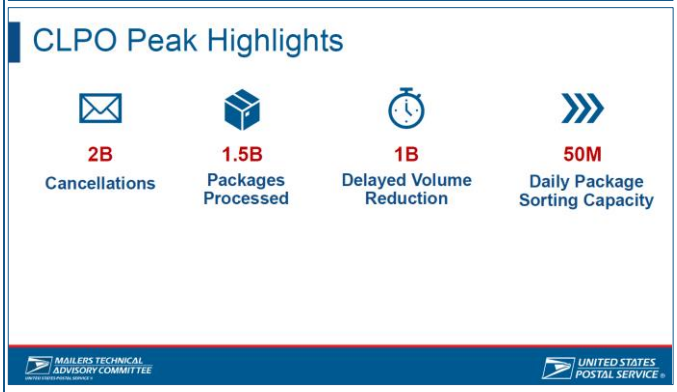
He also reprised his displeasure with those who don't fully embrace his 10-year Plan, saying "I said this earlier: you're not gonna like anything that this organization does while I'm here ... because if you don't believe that the place was in a crisis ... then you would not make some of the changes that that we have in fact embarked on."

Reflecting on the Plan overall, he observed that "this is a model that's going to have successes and problems." The Plan "is not set in stone but it's not flimsy either." Pleased with what he's done, he added "it's so much fun for me" to work with his executive team.

A entire recording of the entire opening session, including the PMG's remarks, is available from the PostalPro website.

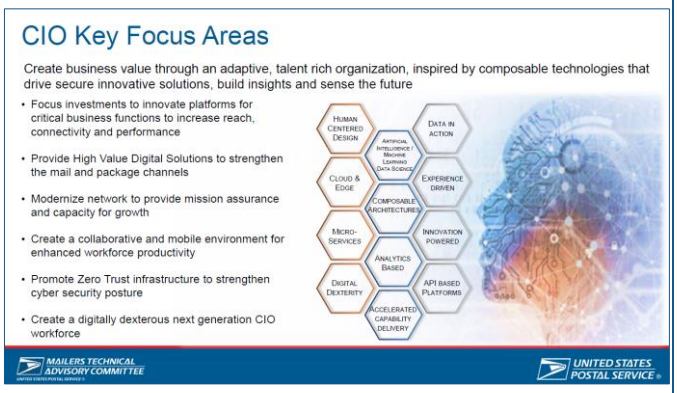
Following DeJoy were EVPs Isaac Cronkhite (logistics and processing operations) and Joshua Colin (retail and delivery) speaking about USPS performance during the peak season.





Colin emphasized improvements in early (6am-9am) package delivery and fewer late (after 9pm) returns by carriers. Cronkhite repeated the well-publicized pre-peak activities (adding annexes, installing package sorting equipment, improving transportation, and adding employees) as major contributing factors to improved performance compared to the 2020 peak season.

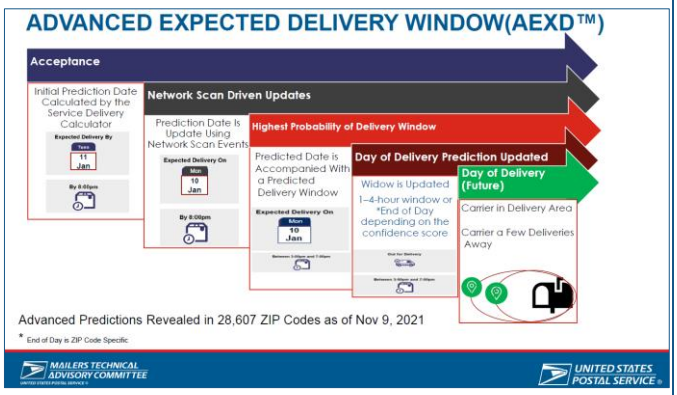
EVP/Chief Information Officer Pritha Mehra followed with an overview of planned system and software improvements.



Specific systems on which attention is being focused include USPS Connect, Informed Delivery, Product Tracking and Reporting, Package Payment, and Enterprise Pricing Services.

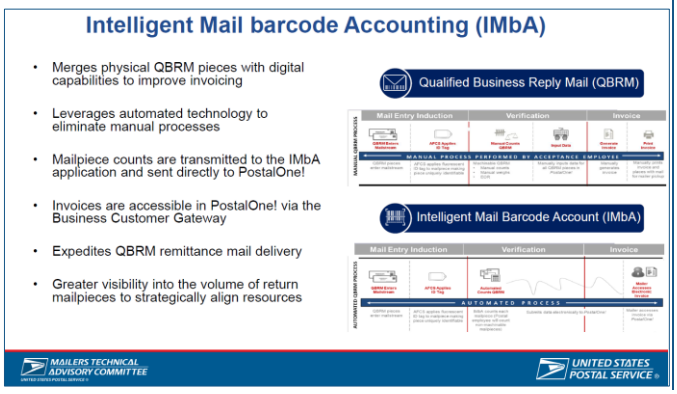
VPs Gary Reblin and Jeff Johnson were next, discussing data, technology, and addressing.

Reblin reported that Informed Delivery now has over 45 million users in 33.6 million households, a 25.3% national saturation rate. He also reported on the Mail API and the Shipper Campaign Portal, as well as Informed Visibility, Product Tracking and Reporting, and Advanced Expected Delivery Window activity during the peak season.



Johnson spoke about mail in measurement, specifically about the volume of excluded mail and the reasons for its exclusion from measurement.

Next were VPs Tom Foti (Product Solutions), Sharon Owens (Pricing and Costing), and Garett Hoyt (Technology Apps). Foti spoke about Plus One, the USPS Connect Local market test, and IMB Accounting.



Owens reviewed the planned April filing for a rate increase to be effective July 10, noting that current trends point toward an estimated 6.409% increase. Hoyt spoke about planned structural changes, including the requirement for dimensional data about packages.

Closing the day were VPs Mike Barber (processing and maintenance operations) and Robert Cintron (logistics) Barber spoke about new machines put in service for peak season, ongoing changes from air to surface transportation, and the removal of some FSS machines. Cintron covered preparations for the peak season and the status of the surface transfer centers and mail transport equipment supplies.

Wednesday focus groups

- **Network Operations** discussion topics:
  - » Peak performance. Better than last year ... some opportunities identified around internal operational efficiencies that can be improved upon.
  - » MTE. Still seeing delays in equipment ... trying to get a balance and not a shortage ... quality of equipment is a concern.
  - » Periodicals. Some facilities take 14 or more days to deliver mail that's entered locally ... there's no timeline for FSS "decommissioning" ... just "right sizing" of FSS equipment to match demand ... it's possible to remove 10 to 15 more machines.
  - » Remittance Mail. Gradually seeing service worsen ... less than 80% on time in October and November ... less than 60% on time in December ... down to 55% for the first week of January.
  - » Parcels. Low scanning rate for International packages at DDUs.
  - » Paper. Industry wants to work with USPS Engineering on alternative paper weights/specifications ... some mailers didn't have a 60-pound paper but had 55-pound, which is thicker.
- **Data Technology and Addressing** discussion topics:
  - » Open items. Industry needs: regular updates of USPS facilities impacted by staffing issues ... conversion of peak season calls to recurring performance calls ... finer performance data by region/facility ... details of delivery time impact from redirects.
  - » Measurement. Moving more mail into measurement ... correlating decreased mail in measurement with decreased scan rates ... review business rules for measurement.
  - » MTE. USPS is doing an internal review of MTE quality issues.
  - » Advanced Expected Delivery Date. Only available on USPS.com ... 20K ZIPs are being tested now ... still looking at how to reveal this information.
- **Entry Payment, and Product** discussion topics:
  - » Undocumented Over 45 Days Error Purge. Monthly since June 2021 ... the manual process tries to match undocs with older eDoc followed by a data repair ... impacted mailers are notified that their scorecard was updated... the enhanced process will be automated January 23 ... performed for all seamless CRIDS regardless of threshold status ... error removal performed daily.
  - » Mail in measurement. It appears the issue is flags in mail.dat file ... in the case of origin entry mail, it's an "N" ... it seems not all mail is being counted ... flag is always USPS pickup - no ... team needs to be software developers and they should go back and look at rules where start the clock began ... USPS should reevaluate pieces that are not with start the clock mail.
  - » Permit balance look-up. Industry requests USPS to build an API that will enable a bulk upload of up to 100 permits and get data back versus individual look-up.
  - » Parcels. Clarify nonstandard sizes for parcels.
  - » OCPI (Outbound Commercial Provider Initiative). Working behind the scenes with different entities to help support this ... go live date has been changed to July 18 ... more info will be forthcoming in the next several months.

Miscellany

New contract, more costs

Following on the heels of the recently-reached agreement with the American Postal Workers Union (representing mail processing, retail, maintenance, and motor vehicle employees), the USPS has reached agreement with the National Rural Letter Carriers Association on a tentative three-year contract, retroactive to May 2021.

According to the NRLCA, major elements of the agreement include three general wage increases totaling 3.9%; continued semi-annual cost-of-living increases; changes in the compensation and benefits for Rural Carrier Associates and part-time-flexible rural carriers; and a new staffing formula that will add about 1,900 new PTF employees.

As much as settling labor agreements is important, the USPS continues its traditional practice of doing so by agreeing to costly financial terms, and passing those increased costs on to ratepayers through higher rates.

Price set for EVs

As reported by *E&E News*, the Postal Service's final environmental impact statement for its proposed new delivery fleet estimated that an all-electric delivery fleet would add $3.3 billion to the price tag. The agency has been criticized because the award for its fleet purchase called for only 10% EVs with the balance being conventionally powered.

The article quoted a transportation analyst at the Natural Resources Defense Council as saying it was hard to evaluate the USPS estimate because its "analysis offered little supporting data." The analyst added that "We're just going to wave our hand and say it's really expensive. It doesn't seem they've done their homework." *E&E News* noted that an August 2021 study by Atlas Public Policy "estimated that 97% of USPS vehicles could be electrified at a lower total cost of ownership than that of comparable gas or diesel trucks by 2025."

Conversely, the USPS study found that an EV mail truck "has a significantly higher total cost of ownership" than one with an internal-combustion engine. According to the article, the USPS has cited significant infrastructure costs, noting that "robust electric power lines needed to charge vehicles might not exist" at some delivery units, meaning that "the local electric infrastructure, like transformers, would need upgrades" to support an electric delivery fleet.

Paying the tax

Statute requires the Postal Service to annually calculate the "assumed federal tax" on the net income derived from its competitive products after deducting attributable costs and the required contribution to USPS institutional costs.

For FY 2021, the agency reported total competitive product revenues of $34,228,653,000, total attributable costs of $21,039,875,000, and a contribution toward USPS institutional costs of $3,060,658,000, yielding $10,128,120,000 in net income. Applying a 21% tax rate resulted in $2,126,905,000 being paid into the Postal Service Fund in lieu of federal income tax.

COVID and the USPS

According to the *Washington Post*, "the White House is finalizing details with the US Postal Service to deliver 500 million coronavirus test kits to households across the country, according to four people familiar with the plans." For its part, "the Postal Service is currently negotiating with its four labor unions to extend the seasonal workforce – the roughly 40,000 people brought in each year to help the agency work through a glut of holiday packages," according to the report.

The *Post* also reported that the agency "asked federal labor officials for a temporary waiver from President Biden's coronavirus vaccine mandate," claiming "a vaccine-or-test mandate 'is likely to result in the loss of many employees – either by employees leaving or being disciplined'." The USPS had "asked OSHA to extend the compliance deadlines for the mandate by 120 days and to suspend the Postal Service's obligations under the mandate until the courts have rendered a final ruling on the legality of the vaccine requirement." (A later Supreme Court decision vacated the mandate.)

Even though a vaccine has been available for months, the USPS claimed that its "feverishly busy holiday season would prevent [its] 650,000 employees from timely compliance with the OSHA standards" and it wanted "to ensure that its ability to deliver mail and packages [was] not hindered."

Board elections

At its first meeting of 2022, the Postal Service's Board of Governors elected vice-chairman Ramon Martinez IV as chairman, succeeding Ron Bloom, whose term on the board and carryover year expired in December. Anton Hajjar was elected to succeed Martinez as vice-chairman.

Martinez was an investment banker who rose to partner at Lehman Brothers before his retirement in 2003. He was confirmed to the board on August 1, 2019, for the remainder of a term expiring December 8, 2024. Hajjar served as general counsel of the American Postal Workers Union; before that he represented unions while employed at private law firms. He was confirmed to the board on May 28, 2021, to complete a term expiring December 8, 2023.

A governor serves a seven-year term but can remain an additional carryover or "grace" year. The board currently has eight members following Bloom's departure but more vacancies lie ahead: the term of John Barger expired last December 8 – he's now in his carryover year – and the terms of Donald Moak and William Zollars will expire on December 8, 2022. Daniel Tangherlini and Derek Kan were nominated by the president on November 19, 2021, to succeed Bloom and Barger, respectively; both nominations await Senate consideration.

Though no more than five governors can be from the same political party, a president typically nominates persons of similar views, regardless of party. If the current nominees are confirmed, five governors would have been nominated by the current president. Some observers have noted that could mean a loss of majority support for the PMG, but few believe the PMG's dismissal is likely anytime soon.

All the Official Stuff

Federal Register

Postal Service

NOTICES

January 4: Sunshine Act Meetings [Board of Governors], 262.

January 5: Product Change [5]: Priority Mail Express and Priority Mail Negotiated Service Agreement, 491; Priority Mail Express, Priority Mail, and First-Class Package Service Negotiated Service Agreement, 491; Priority Mail and First-Class Package Service Negotiated Service Agreement, 491; Priority Mail Negotiated Service Agreement, 492; First-Class Package Service Negotiated Service Agreement, 492.

January 7: Notice of Availability of Final Environmental Impact Statement for Purchase of Next Generation Delivery Vehicles, 994-995.

January 10: International Product Change-Priority Mail Express International, Priority Mail International, First-Class Package International Service & Commercial ePacket Agreement, 1201.

January 14: International Product Change: Inbound International Tracked Delivery Service, 2466.

PROPOSED RULES

[None].

FINAL RULES

January 12: Plus One Permanent Product, 1673-1674; Inspection Service Authority; Civil Monetary Penalty Inflation Adjustment, 1674-1676.

Postal Regulatory Commission

NOTICES

January 4: New Postal Products, 261-262.

January 6: FY 2021 Annual Compliance Report, 790-791.

January 11: Postal Service Performance Report and Performance Plan, 1444-1445.

January 13: Mail Classification Schedule, 2186-2187.

PROPOSED RULES

January 14: Periodic Reporting, 2384-2385.

FINAL RULES

[None].

DMM Advisory

January 7: UPDATE 214: International Mail Service Updates Related to COVID-19.

January 12: International Service Resumption Notice – effective January 14, 2022 [New Zealand].

January 12: International Service Resumption Notice – effective January 14, 2022 [Tajikistan].

January 12: UPDATE 215: International Mail Service Updates Related to COVID-19.

January 13: International Service Suspension Notice – effective January 14, 2022.

January 14: UPDATE 216: International Mail Service Updates Related to COVID-19.

Postal Bulletin (PB 22589, January 13)

- Effective **February 1**, Labeling Lists L007, L012, L014, L051, and L606 are revised to reflect changes in mail processing operations. Mailers are expected to label according to these revised lists for mailings inducted on or after the February 1, 2022, effective date through the March 31, 2022, expiration date.
- Effective **January 9**, DMM 113, 123, 133, 153, 201, 202, 213, 223, 253, 254, 255, 256, 503, 505, 507, 509, 604, 705, and the Index are revised to reflect changes to prices and certain mailing standards for the following competitive products: Priority Mail Express; Priority Mail; First-Class Package Service; Parcel Select; USPS Retail Ground; Extra Services; Return Services; Mailer Services; Recipient Services; and Other. This article describes new prices and product features for competitive products established by the Governors of the United States Postal Service. Information on new prices is available on the Postal Explorer website at pe.usps.com. Note: The Postal Service on December 3, 2021, notified the Postal Regulatory Commission of the intention to delay implementing "nonstandard" fees and the "dimension-noncompliance" fee (both detailed elsewhere in this article) until April 3, 2022. The delayed implementation of the dimension-noncompliance fee will also delay the requirement to provide dimensions for nonstandard pieces and dimensional weight pieces until April 3, 2022.
- Effective **April 4**, DMM 204 and 255 are revised to clarify the use of Labeling List L051 for Parcel Select and Parcel Select Lightweight (PSLW) machinable mailpieces, and to provide new Content Identifier Numbers (CINs). The Postal Service is expanding the use of Labeling List L051 to include all Parcel Select and PSLW machinable parcels claiming destination sectional center facility (DSCF) prices. Specifically, the Postal Service now requires that 5-digit/scheme containers of machinable pieces be entered at the DSCF under L051 for DSCF prices. The Postal Service is also adding two new CINs to support the new Parcel Select and PSLW machinable parcel SCF sortation for DSCF entry. Although the Postal Service will not publish this clarification in the DMM until April 4, 2022, this standard is effective immediately.
- Effective **January 9**, the Postal Service revised IMM 222, 232, 252, and 390, and Notice 123, *Price List*, to reflect prices, product features, and classification changes to Competitive Services and other minor changes for international services, as established by the Governors of the Postal Service. New prices are posted under Docket Number CP2022-22 on the Postal Regulatory Commission's (PRC's) website at prc.gov.
- Effective **January 13**, the IMM Individual Country Listing for Hong Kong is revised to reflect a revision to the observation requesting that the mailer include the addressee's mobile telephone number on the customs declaration form – previously, the request was only for items with Priority Mail Express International service, but now the request is also for Priority Mail International service.
- Effective **January 13**, the IMM Individual Country Listing for Mongolia is revised to include information on its national addressing system.
- The 2021 *Postal Bulletin* index is in this issue.

USPS Industry Alerts

January 3, 2022

FAST Frequently Asked Questions

The USPS has created Frequently Asked Questions (FAQ) to assist users with Facility Access & Shipment Tracking (FAST). FAST provides a single, integrated customer service and product visibility for all mail classes. With FAST, mailers are able to track their shipments, receive advanced notification of redirections, submit and manage recurring appointment requests online, and have joint scheduling capabilities. The FAQs include links to the system interfaces that improve visibility and ease of use for both postal and customer users. The FAQs are posted on PostalPro at https://postalpro.usps.com/node/10510. A link to the FAQs can also be found on the FAST page Facility Access and Shipment Tracking (FAST) under Featured Resources.

January 6, 2022

New Vice President Technology Applications

Effective immediately, Garrett M. Hoyt will serve as Vice President, Technology Applications. Garrett will report to Pritha Mehra, Chief Information Officer and Executive Vice President. Garrett has been with the US Postal Service for 34 years and brings with him more than 10 years of experience in developing and integrating technical solutions in support of key organizational strategies. He led efforts to streamline commercial mail acceptance through the development and deployment of the Seamless Acceptance and eInduction initiatives that reduced or eliminated manual processes and strengthened revenue protection. In support of Customer Experience, he led required collaboration between critical stakeholders to successfully deploy the C360 platform that provided the USPS with a single customer view enabling actionable insights to improve customer self-service capabilities and improve call agent efficiency. As the Acting, Vice President of Technology Applications he directed the successful deployment of digital interaction capabilities with transportation suppliers to promote extra trips through automated supplier auctions and the automation of freight payment processes. In this role, Garrett will be responsible for providing high value technical solutions designed to strengthen both mail and package channels while focusing investments on modernizing platforms that support critical business functions. He will lead the development and deployment of digital ecosystems designed to transform customer engagement, transportation management, product visibility and pricing. Most recently, Garrett served as Executive Director, CIO Services. In this position, he managed the strategic planning, financial management, strategic acquisitions, and application performance across the CIO organization.

January 10, 2022

Plant-Verified Drop Shipment Updates

In conjunction with the January 9, 2022 price change, plant-verified drop shipment (PVDS) mailings will be verified and accepted as follows: Current Prices— PVDS mailings verified and paid for on or before January 8, 2022, using the current prices will be accepted at destination entry postal facilities through Monday, January 25, 2022 when presented using eInduction or eVS processes or with appropriate verification and payment documentation (PS Form 8125 or PS Form 8017). New Prices — PVDS mailings may be verified and paid for beginning December 26, 2021, using the new prices, provided the shipments, when presented using eInduction or eVS processes, or with appropriate verification and payment documentation (PS Form 8125 or PS Form 8017), are not deposited at destination entry postal facilities before January 9, 2022. (For mailings with electronic documentation, mailers must enter a Mail Arrival Date that is on or after January 9, 2022; for mailings with hard copy postage statements, USPS acceptance employees must enter a Mail Arrival Date that is on or after January 9, 2022.)

January 10, 2022

January 2022 Price Change Implementation – Postage Statement Exception Request: Instructions and Form

For customers who could not make the change to new postage statements by January 9, 2022, Business Mail Entry Units (BMEUs) and acceptance sites will continue accepting the old postage statements with new prices through close of business on February 13, 2022. As of January 9, 2022, the new January 2022 postage statements are required for: First-Class Mail and First-Class Package Service (PS Form 3600-FCM); Priority Mail (PS Form 3600-PM); Nonprofit USPS Marketing Mail (PS Form 3602-N); USPS Marketing Mail (PS Form 3602-R); Package Services (PS Form 3605-R); Periodicals (PS Form 3541); International Mail (PS Form 3700). For customers who could not make the change to the new postage statements by January 9, 2022, the BMEU will initiate, complete, and retain the Postage Statement Exception Request Form below. Email a copy of the exception request to HQMailEntry mailbox: HQMailEntry@usps.gov. Mail Entry will follow-up with the individual customers to ensure they will meet the dates provided. BMEUs and acceptance sites will maintain this Postage Statement Exception Request Form for each customer that continues to use the old statement, ensuring that the exception form identifies when the customer will be able to comply and produce the new postage statements. BMEUs must ensure that the date the customer expects to be compliant is entered in the comments section of the PostalOne postage statement. Mailers using new products or services must provide a new January 2022 postage statement. Customers that do not anticipate meeting the February 13, 2022 cutoff date for presenting the correct postage statements will need to immediately apply for an exception from the Pricing & Classification Service Center (PCSC) via PCSC@usps.gov. The customer's written request must be on the customer's letterhead and state the specific problem and date that the problem will be resolved. The Postage Statement Exception Request Form completed by BME (attached) must be submitted along with the customer's written request to the PCSC. Questions concerning the exception process can be directed to the HQMailEntry mailbox: HQMailEntry@usps.gov.

January 12, 2022

COVID-19 CONTINUITY OF OPERATIONS UPDATE – International Service Resumption Notice [New Zealand]

[See the January 12 listing for COVID-19-Related International Mail Service Disruptions in the Special Section.]

January 12, 2022

COVID-19 CONTINUITY OF OPERATIONS UPDATE – International Service Resumption Notice [Takjikistan]

[See the January 12 listing for COVID-19-Related International Mail Service Disruptions in the Special Section.]

January 12, 2022

REMINDER: Service Type ID Table Updates for Ballot Mail and Political Mail

Based on Industry feedback, the Service Type ID (STID) table available on PostalPro is being updated to include new STIDs for Ballot Mail and Political Mail that may be used when preparing mail for mailing on and after January 23, 2022. Use of the appropriate STIDs allows for Informed Visibility Mail Tracking & Reporting (IV-MTR) to identify mailpieces, with all expected service combinations, during mail processing. These new STIDS are only for use on Ballot Mail or Political Mail. **Ballot Mail** is any Official Ballot mailed to or from authorized election officials. **Political Mail** is any material mailed for campaign purposes by a registered political candidate, campaign committee, or committee of a political party, or political message mailing by a political action committee (PAC), super PAC, or other organization engaging in an effort to influence or drive voter mobilization. NOTE: For other Election Mail (e.g., voter registration applications, polling place locations, absentee applications, sample ballots) use the appropriate STID for the mail class and ACS and IV-MTR services desired that are identified for First-Class Mail (page 2) or USPS Marketing Mail (page 4) of the STID Table. The Election Mail attribute in eDoc (electronic documentation) should be used to identify a mailing that contains any type of Election Mail. Information on Informed Visibility Mail Tracking & Reporting can be found at: https://postalpro.usps.com/InformedVisibility. The current Service Type ID Table can be found at: https://postalpro.usps.com/service-type-identifiers/stidtable.

January 13, 2022

COVID-19 CONTINUITY OF OPERATIONS UPDATE – International Service Suspension Notice

[See the January 13 listing for COVID-19-Related International Mail Service Disruptions in the Special Section.]

January 13, 2022

Discontinuance of the Priority Mail Flat Rate Large Board Game Box

The United States Postal Service introduced the Priority Mail Flat Rate Large Board Game Box (GBFRB) in 2010. It is available on the USPS.com/Postal Store in packs of 25 at no charge to the customer when used as intended. The Priority Mail Flat Rate Large Board Game Box (GBFRB) has dimensions of 24-1/16"(L) x 11-7/8"(W) x 3-1/4"(H). It was created as a convenience to the Board Game Industry and to provide additional awareness to the mail class in processing. After conducting a Return on Investment (ROI) analysis, it has been decided that it is in the best interest of the Postal Service to discontinue further production of the Priority Mail Flat Rate Large Board Game Box (GBFRB). Factors in this decision include the inability to run this product on package processing equipment, costs associated with manually processing this product, and reduced customer usage in recent years. The Priority Mail Flat Rate Large Board Game Box (GBFRB) will remain available while supplies last and is expected to be depleted by the end of January 2022.

January 13, 2022

2022 National Postal Forum Call for Papers is Now Open

The 2022 National Postal Forum (NPF) is taking the mailing and shipping industry on a journey and you're invited. The NPF is inviting ***industry*** speakers who are interested in sharing their unique knowledge and experiences to submit workshop and session proposals for the 2022 NPF in Phoenix, Arizona, at the Phoenix Convention Center, from May 15 – 18, 2022. If you have a workshop idea you would like NPF to consider, please log in to the proposal submission system and complete the Workshop Presentation Form. The deadline to send in your Workshop Presentation Form online is **Friday, January 28th, 2022**. NPF and USPS personnel will evaluate all submissions and let you know by mid-February if your submission(s) have been selected for the 2022 conference. If you have any comments regarding presentation submissions, please contact Maureen Goodson at mgoodson@npf.org. To submit a workshop proposal, you will need to create an account on the Call for Papers submission system. Once you have created an account, you can login on the same page in order to submit another presentation or make changes to an existing one. Please click the link [provided] to create your account and then simply follow the directions to submit your 2022 proposal.

January 14, 2022

Informed Delivery System Impact

On Sunday, January 16, 2022, the United States Postal Service will perform maintenance on its Informed Delivery system. From 12 PM EST to 6 PM EST, the Mailer Campaign Portal (MCP) and Consumer Portal will not be available. Informed Delivery jobs submitted through PostalOne during this window will be processed after the maintenance. Post-campaign data will not be transmitted to the Informed Visibility Mail Tracking and Reporting (IV-MTR) application during this window and will also resume after the maintenance. Please direct any campaign-related inquiries or concerns to our Informed Delivery Campaign Helpdesk via email (USPSInformedDeliveryCampaigns @USPS.gov) or telephone (1-877-329-7206).

A note to readers: *Mailers Hub News* no longer reprints the weekly press releases by the USPS, concurrently issued as *Industry Alerts*, alleging improved service performance, that in our editorial opinion present skewed and misleading information.

Calendar

To register for any webinar, go to MailersHubWebinars.com

February 10 – Western-Pacific Area AIM Meeting
February 15 – ***Mailers Hub Webinar:*** *A Review of USPS Service*
March 8 – Southern Area AIM Meeting
March 15 – ***Mailers Hub Webinar***
March 23 – Central Area AIM Meeting
April 5-6 – MTAC Meeting, USPS Headquarters
April 11-14 – INg Executive Networking Forum, Tucson (AZ)
April 14 – Atlantic Area AIM Meeting
April 19 – ***Mailers Hub Webinar***
May 15-18 – National Postal Forum, Phoenix (AZ)
May 24 – ***Mailers Hub Webinar***
June 21 – ***Mailers Hub Webinar***
July 19 – Atlantic Area AIM Meeting
July 26-27 – MTAC Meeting, USPS Headquarters
August 16 – Southern Area AIM Meeting
August 24 – Central Area AIM Meeting
October 20 – Atlantic Area AIM Meeting
October 25-26 – MTAC Meeting, USPS Headquarters

Special Section: DMM Advisories and USPS Industry Alerts Related to COVID-19

These service disruptions affect Priority Mail Express International (PMEI), Priority Mail International (PMI), First-Class Mail International (FCMI), First-Class Package International Service (FCPIS), International Priority Airmail (IPA), International Surface Air Lift (ISAL), and M-Bag items. Unless otherwise noted, service suspensions to a particular country do not affect delivery of military and diplomatic mail.

January 7, 2022, *DMM Advisory*: UPDATE 214: International Mail Service Updates Related to COVID-19

On January 7, 2022, La Poste, the designated operator of **France**, provided notification that, as of January 3, 2022, it is operating in strict compliance with all government-imposed measures which may have an impact on operations. As a result, La Poste is unable to guarantee normal operations or compliance with standards and delivery times for letter-post, parcel-post and EMS items.

January 12, 2022, *DMM Advisory*: International Service Resumption Notice – effective January 14, 2022
[Also issued as January 12, 2022, Industry Alert: COVID-19 CONTINUITY OF OPERATIONS UPDATE – International Service Resumption Notice]

Effective Friday, January 14, 2022, the Postal Service will resume acceptance of the following services destined to **New Zealand**: First-Class Package International Service (FCPIS); Commercial ePacket (CeP); International Priority Airmail (IPA) Packets; International Surface Air Lift (ISAL) Packets. This service resumption only affects the following mail classes: First-Class Package International Service (FCPIS), International Priority Airmail (IPA), International Surface Air Lift (ISAL), and Commercial ePacket (CeP) items. The suspension of the following services to New Zealand, effective October 1, 2021, remains active until further notice: Priority Mail International (PMI); Airmail M-bags; International Priority Airmail (IPA) M-bags; International Surface Air Lift (ISAL) M-bags. The Postal Service is closely monitoring service impacts related to the COVID-19 pandemic and will continue to update customers until the situation returns to normal. Please visit our International Service Alerts page for the most up to date information: https://about.usps.com/newsroom/service-alerts/international/?utm_source=residential&utm_medium=link&utm_campaign=res_to_intl.

January 12, 2022, *DMM Advisory*: International Service Resumption Notice – effective January 14, 2022
[Also issued as January 12, 2022, Industry Alert: COVID-19 CONTINUITY OF OPERATIONS UPDATE – International Service Resumption Notice]

Effective Friday, January 14, 2022, the Postal Service will resume acceptance of mail destined to the following: **Tajikistan**. This service resumption affects the following mail classes: Priority Mail Express International (PMEI), Priority Mail International (PMI), First-Class Mail International (FCMI), First-Class Package International Service (FCPIS), International Priority Airmail (IPA), International Surface Air Lift (ISAL), and M-Bag items. The Postal Service is closely monitoring service impacts related to the COVID-19 pandemic and will continue to update customers until the situation returns to normal. Please visit our International Service Alerts page for the most up to date information: https://about.usps.com/newsroom/service-alerts/international/?utm_source=residential&utm_medium=link&utm_campaign=res_to_intl.

January 12, 2022, *DMM Advisory*: UPDATE 215: International Mail Service Updates Related to COVID-19

On January 12, 2022 , VNPost, the designated operator of **Vietnam**, provided notification that the COVID-19 situation in Viet Nam has now improved sufficiently for postal services to again be provided as normal. Therefore, the delivery of all inbound letter-post, parcel-post and EMS items will follow all normal standards.

January 13, 2022, *DMM Advisory*: International Service Suspenstion Notice – effective January 14, 2022
[Also issued as January 13, 2022, Industry Alert: COVID-19 CONTINUITY OF OPERATIONS UPDATE – International Service Resumption Notice]

The Postal Service will temporarily suspend international mail acceptance for certain destinations due to service impacts related to the COVID-19 pandemic. Effective January 14, 2022, the Postal Service will suspend international mail acceptance to destinations where transportation is unavailable due to widespread cancellations and restrictions into the area. Customers are asked to refrain from mailing items addressed to the following country, until further notice: **Hong Kong**. ... For already deposited items, other than Global Express Guarantee (GXG), Postal Service International Service Center (ISC) employees will endorse the items as "Mail Service Suspended — Return to Sender" and then place them in the mail stream for return. Due to COVID-19, international shipping has been suspended to many countries. According to DMM 604.9.2.3, customers are entitled to a full refund of their postage costs when service to the country of destination is suspended. The detailed procedures to obtain refunds for Retail Postage, eVS, PC Postage, and BMEU entered mail can be found through the following link: https://postalpro.usps.com/international-refunds. The Postal Service is closely monitoring the situation and will continue to update customers until the situation returns to normal. Customers may visit our International Service Alerts page for the most up to date information: https://about.usps.com/newsroom/service-alerts/international/?utm_source=residential&utm_medium=link&utm_campaign=res_to_intl.

January 14, 2022, *DMM Advisory*: UPDATE 216: International Mail Service Updates Related to COVID-19

On January 14, 2022, MaltaPost, the designated operator of **Malta**, provided notification that, an increase in the COVID-19 infection rate is causing significant staff shortages at key processing and delivery locations. As a result, it is unable to guarantee normal operations or compliance with standard delivery times.

Thanks to Our Supporting Partners

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