

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Public Inquiry on Changes Associated
with the Delivering for America Plan

Docket No. PI2023-4

CHAIRMAN'S INFORMATION REQUEST NO. 2
AND NOTICE OF FILING UNDER SEAL

(Issued August 8, 2023)

As part of its Delivering for America Strategic Plan, the Postal Service recently announced several initiatives involving changes to its processing and delivery network, some of which may implicate statutory provisions relating to Postal Service costs, service performance, or changes in the nature of service.¹

To clarify information related to these initiatives and the Postal Service's material filed in response to requests for information about the initiatives,² the Postal Service is requested to provide a written response to the following questions. The responses should be provided as soon as they are developed, but no later than August 22, 2023.

1. In the DFA Second-Year Report, the Postal Service states that the new sorting and delivery center (S&DC) network "will optimize delivery in [its] busiest markets..."³ The Postal Service also states that this new network will result in "faster service between local retailers and consumers through expanded same-

¹ See Notice and Order Initiating Public Inquiry Associated with the Delivering for America Plan, April 20, 2023 (Order No. 6488); see also United States Postal Service, Delivering for America: Our Vision and Ten-Year Plan to Achieve Financial Sustainability and Service Excellence, March 23, 2021, available at https://about.usps.com/what/strategic-plans/delivering-for-america/assets/USPS_Delivering-For-America.pdf (DFA Plan).

² See Responses of the United States Postal Service to Questions 1-5 of Chairman's Information Request No. 1, July 19, 2023 (Response to CHIR No. 1).

³ United States Postal Service, Delivering for America, Second-Year Progress Report, April 2023, at 18, available at <https://about.usps.com/what/strategic-plans/delivering-for-america/assets/usps-dfa-two-year-report.pdf> (DFA Second-Year Report).

day/next-day shipping across the region from one convenient location.” *Id.* at 30. Please confirm whether customers outside of these busy markets will also benefit from this new network.

- a. If confirmed, please also confirm whether customers outside the busiest markets will receive the same benefits (*i.e.*, faster delivery) as customers of the busiest markets or describe these benefits.
 - b. If not confirmed, please discuss the impact of this new network on customers outside the busiest markets, including, but not limited to, the likelihood of delayed delivery.
2. Please identify and describe any plans related to the utilization of excess space created at Post Offices due to the transfer of delivery functions to S&DCs. With your response, please provide any relevant studies or analyses detailing these plans, if applicable.
 3. Please describe and provide any relevant data related to the “operational benefits” demonstrated from the first S&DC in Athens, GA. See DFA Second-Year Report at 18.
 4. In the Response to CHIR No. 1, question 4, the Postal Service states that “[t]he Postal Service is not currently pursuing initiatives that would result in changes to retail access by aligning hours of operation to customer demand at certain Post Offices, or rationalizing stations and branches.” Response to CHIR No. 1, question 4. Please clarify whether any of these initiatives that the Postal Service is “not currently pursuing” were accounted for in the calculation of the \$34 billion projected cost savings.⁴
 5. Please refer to the network transformation illustrated in Figure 19 of the DFA Plan (DFA Network) and the Processing and Delivery operations network

⁴ See DFA Plan at 6; Library Reference USPS-LR-PI2023-4-NP1, July 19, 2023, Excel file “Cost_Initiatives_DFA_10YrForecastSteps_NP.xlsx.”

described in the DFA Second-Year Report (Second-Year Report Network). See DFA Plan at 29; DFA Second-Year Report at 15-19.

- a. Please confirm that the DFA Network has been superseded by the Second-Year Report Network.
 - b. If question 4.a. is not confirmed, please explain or illustrate how these two network transformations are related.
 - c. If question 4.a. is confirmed, please then also confirm that any projected cost savings related to network transformations, as provided in Response to CHIR No. 1, question 3, reflect the DFA Network and not the Second-Year Report Network.
 - d. If question 4.c. is confirmed, please provide any data and analyses related to the cost and service impacts of the Second-Year Report Network.
6. Please see Attachment, filed under seal.

By the Chairman.

Michael Kubayanda