

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. 3

(Issued September 1, 2023)

As part of its Delivering for America (DFA) Plan, the Postal Service recently announced several initiatives involving changes to its processing and delivery network, some of which may implicate statutory provisions related 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 September 12, 2023.

1. In the DFA Plan, the Postal Service states that "total volume [is] expected to decline by 36 percent and total pieces per delivery [is] expected to decline to 1.7 [pieces]" by FY 2030. DFA Plan at 9. The Postal Service also projects that in FY 2030, "total mail volume (excluding packages) will be approximately 75 billion pieces, a decrease of 37 percent (approximately 45 billion pieces)" from FY

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); Responses of the United States Postal Service to Questions 1-6 of Chairman's Information Request No. 2, August 22, 2023 (Response to CHIR No. 2).

2020. *Id.* at 42. It notes that “[t]his decrease is attributed to continued adoption of digital alternatives to business transactions, advertisement and communications, and is consistent with the trend . . . experienced over the last decade.” *Id.*

- a. Please confirm that these projections have not changed since the DFA Plan was initiated in March 2021. If not confirmed, please provide the updated volume projections for FY 2030 and discuss whether the Postal Service revised, modified, or developed new initiatives based on the updated volume projections, including whether these projections have any impact on the Postal Service’s planned changes to its network of facilities.
 - b. Please confirm that the Postal Service will update these projections in its 3-year update pursuant to 39 U.S.C. § 2803(b). If not confirmed, please explain.
2. Please confirm that Function 4 workhours, as provided in Response to CHIR No. 2, question 3,³ refers to workhours related to customer service activities at Post Offices, stations, and branches, including window services, vending equipment, PO Box distribution, and unit distribution.
- a. If not confirmed, please describe all activities included in Function 4.
 - b. If confirmed, please also confirm that the reduction in Function 4 workhours in the Athens area, referred to in Response to CHIR No. 2, question 3, is due to the transfer of unit distribution workhours⁴ from Post Offices, stations, and branches to the Athens sorting and delivery center (S&DC).

³ See Library Reference USPS-LR-PI2023-4-NP2, August 22, 2023, PDF file “Athens SDC Call Center and F4 data.pdf,” at 1 (F4 data).

⁴ Unit distribution workhours refers to any workhours attributed to the automated, mechanized, or manual distribution of mail to carrier routes.

- c. If question 2.b. is confirmed, please also confirm that the same period last year (SPLY) comparison provided in the F4 data does not include equivalent workhours at the Athens S&DC.
3. Please refer to the graph of aggregate package calls at the Athens S&DC provided in Response to CHIR No. 2.⁵ Please provide an SPLY comparison of this graph.
4. The Postal Service states that “as we systematically advance the DFA Plan’s core strategies, we will refine, defer, or choose not to implement certain of the initiatives discussed in the 2021 document. Consistent with that approach, the Postal Service has opted not to pursue the referenced retail initiatives at this time.” Response to CHIR No. 2, question 4.
 - a. Of those initiatives originally listed in the DFA Plan and accounted for in calculations of the \$34 billion cost savings,⁶ please specify which other initiatives (besides retail initiatives) the Postal Service is not currently pursuing.
 - b. Please also describe any new DFA initiatives not listed in the DFA Plan and Cost Initiatives Forecast that the Postal Service is currently pursuing.
5. The Postal Service states that it “has not yet prepared comprehensive cost savings estimates regarding the refined network plan” and has not analyzed “the extent to which service performance will improve.” Response to CHIR No. 2, question 5.d. Given that is the case, please explain on what basis does the Postal Service make the claim that “the network transformation efforts are designed to enable the Postal Service to more reliably achieve [its] existing service standards, while also enhancing operational precision and efficiency, and

⁵ See Library Reference USPS-LR-PI2023-4-NP2, August 22, 2023, PDF file “Athens SDC Call Center and F4 data.pdf,” at 2.

⁶ See Library Reference USPS-LR-PI2023-4-NP1, July 19, 2023, Excel file “Cost_Initiatives_DFA_10YrForecastSteps_NP.xlsx” (Cost Initiatives Forecast).

reducing costs significantly.” See *id.* Please also define what the Postal Service considers “significant” when describing cost reductions.

By the Chairman.

Michael Kubayanda