

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. 5

(Issued November 22, 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.<sup>1</sup>

To clarify information related to these initiatives, 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 December 4, 2023.

For the following questions, please refer to a recent Postal Service presentation to Unions & Management Associations, which provides an update on the implementation of the sorting and delivery centers (S&DCs) and describes a plan for “optimized collections” (Optimized Collections Plan).<sup>2</sup>

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<sup>1</sup> 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](https://about.usps.com/what/strategic-plans/delivering-for-america/assets/USPS_Delivering-For-America.pdf) (DFA Plan).

<sup>2</sup> See National Association of Postal Supervisors, Board Memo 136-2023: S&DC Presentation Update, October 27, 2023, available at [https://naps.org/files/galleries/Board\\_Memo\\_136-2023\\_S\\_DC\\_Presentation\\_Update.pdf](https://naps.org/files/galleries/Board_Memo_136-2023_S_DC_Presentation_Update.pdf), at 4-7 (USPS Presentation).

1. Please confirm the Optimized Collections Plan is part of an initiative listed in Library Reference USPS-LR-PI2023-4-NP1, Excel file "Cost\_Initiativies\_DFA\_10YrForecastSteps\_NP.xlsx."
  - a. If confirmed, please provide the Get It Right (GIR) initiative number of the initiative.
  - b. If not confirmed, please provide the name of the initiative that encompasses the Optimized Collections Plan, the GIR initiative number for this plan, and any workpapers or validation documentation associated with this plan.
2. Please refer to slide 5 of the USPS Presentation, which provides a list of locations for the Optimized Collections Plan. USPS Presentation at 6.
  - a. Please confirm the Optimized Collections Plan was implemented in Richmond, VA on October 28, 2023. If not confirmed, please explain.
  - b. Please confirm the four potential expansion locations for the Optimized Collections plan include Columbus, OH; Madison, WI; Oklahoma City, OK; and Santa Clarita, CA. If not confirmed, please explain.
  - c. If question 2.b. is confirmed, please provide a timeline for each of the potential expansion locations.
  - d. Please provide a list of any other locations for potential expansion and include the timelines for expansion locations.
3. For each location confirmed in the response to questions 2.a. and 2.b., and any additional locations listed in the response to question 2.d., please provide the information requested in sub-questions a. through c. If the information is not available for any locations, please explain:
  - a. Facilities affected by the Optimized Collections Plan

- b. Collection pick-up times at each facility listed in question 3.a., before and after implementation of the Optimized Collections Plan
  - c. Impact on transportation of mail between processing centers and post offices
- 4. The following questions seek clarification on the criteria guiding optimization levels for different post offices and delivery units. Please refer to slides 5 and 6 of the USPS Presentation that provide the optimized level breakdown. *Id.* at 6, 7.
  - a. Please discuss the criteria used to determine the following optimization levels:
    - i. Full Optimization (Single Stop – Drop Off/Pick-up Same Time)
    - ii. Hybrid-Optimized (Return Stop – Drop Off, Then Pick-up on Return)
    - iii. No Optimization (Exceptions)
  - b. Please explain in detail how volume and distance determine the optimization level in the network.
  - c. Please discuss the rationale, if any, behind excluding specific post offices from optimization.
- 5. On slide 5 of the USPS Presentation, the Postal Service indicates that it is optimizing the network in “conjunction with logistics career insourcing initiative.” *Id.* at 6. Please describe the logistics career insourcing initiative and explain the connection between the logistics career insourcing initiative and the Optimized Collection Plan.
- 6. Please explain whether—and if so—how the Optimized Collection Plan impacts Highway Contract Route and Postal Vehicle Service costs. Please provide relevant documentation in support of the response. If no such documentation is available, please explain.

7. Please discuss the specific timelines and milestones for the full implementation of the Optimized Collections Plan.
8. Please discuss how the Optimized Collections Plan will impact the service performance of First-Class Mail. With the response, please include the percentage of Single-Piece First-Class Mail that would be impacted and explain how it will be impacted. Additionally, please discuss the Postal Service's expectations of how the length of time between customer drop-off or carrier collection of Single-Piece First-Class Mail and the first processing (start-the-clock) scan for those same mail pieces will be impacted by the Optimized Collections Plan.
9. Please confirm that the Optimized Collections Plan provides a differentiation in mail services between residents in less densely populated areas, situated at a relatively large distance from S&DCs, and those in more densely populated areas near an S&DC. If confirmed, please explain how this aligns with the requirements outlined in 39 U.S.C. § 403, specifically regarding the prohibition of undue or unreasonable discrimination among users of the mail. If not confirmed, please explain.
10. Please explain how the Postal Service intends to balance efficiency with equitable service provision with regard to the Optimized Collections Plan.
11. Please discuss the steps the Postal Service has taken and the strategies to be employed to communicate the changes and potential impacts of the Optimized Collections Plan to affected communities and customers, particularly in rural areas. In the response, please include whether publicized collection information, including the pick-up times printed on collection boxes, will be updated at the affected locations to reflect the changes due to the Optimized Collections Plan.

12. The Postal Service reported an increase in high volume mail theft incidents from mail receptacles including blue collection boxes: 38,500 in FY 2022 and more than 25,000 in the first half of FY 2023.<sup>3</sup>
- a. Please confirm that the Optimized Collections Plan increases the accumulation of mail in collection boxes due to the planned decrease in pick-ups. If not confirmed, please explain.
  - b. Please confirm that the Optimized Collections Plan increases the amount of time for mail to be sitting in collection boxes. If not confirmed, please explain.
  - c. If either question 12.a. or question 12.b. is confirmed, please explain how the Optimized Collection Plan addresses the increased risk due to accumulation of mail or increased time in collection boxes, given the surge in mail security challenges.

By the Chairman.

Michael Kubayanda

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<sup>3</sup> See USPS News Release, May 12, 2023, available at <https://about.usps.com/newsroom/national-releases/2023/0512-usps-postal-inspection-service-roll-out-expanded-measures-to-crack-down-on-mail-theft.htm>.