

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

PUBLIC INQUIRY ON CHANGES ASSOCIATED  
WITH THE DELIVERING FOR AMERICA PLAN

Docket No. PI2023-4

**RESPONSES OF THE UNITED STATES POSTAL SERVICE TO  
QUESTIONS 1-7 OF CHAIRMAN'S INFORMATION REQUEST NO. 6**

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 6, issued on December 14, 2023. Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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1. The Postal Service explains that the Optimized Collections initiative (Optimized Collection Plan) does not change either the "start-the-clock" for First-Class Mail or the application of the current service standards. See Response to CHIR No. 5, question 8. Please confirm that while the "start-the-clock" for the referenced class of mail does not change, the length of time between customer drop-off and "start-the-clock" may increase, and therefore, the time between customer drop-off and delivery may also increase. If not confirmed, please explain.

**RESPONSE:**

Not confirmed. The start the clock events for first mile do not change as result of this effort, and thus there is no need to change the Service Performance Measurement Plan. As to whether the start-the-clock in mail processing may be pushed forward as a result, this would depend on a variety of factors, to include:

- whether there is sufficient cushion in achievement of service standards such that service standards could still be achieved even if mail is retrieved from candidate sites the next day;
- whether volumes transported from candidate sites prior to optimization implementation miss the processing window in the evening, such that they would be processed the next day anyway; and
- whether mail processing runs can be accomplished the morning after acceptance and receipt of volumes from candidate sites.

In the end, achievement of service standards requires that all aspects of our operations, including collection, transportation, mail processing and delivery are performing as expected. Adjustments to one aspect of operations can be accounted for by other adjustments, such as transportation or processing schedules, to ensure we meet our service standards. It should also be noted that we were not meeting our service performance goals prior to the initiation of Optimized Local Transportation. This

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initiative is in its early stages, and thus, it is premature to conclude that the program will result in volumes failing to achieve service standards. By examining the outcome of the initiative and fine-tuning to solve any gaps, the Postal Service expects that achievement of service standards will not be impaired.

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2. Please refer to slide 7 of the Postal Service Presentation, which provides two examples of communication with employees and customers regarding the Optimized Collection Plan. See Postal Service Presentation at 8.
  - a. Please describe how the communications with customers were distributed or conveyed to the affected customers.
  - b. Please provide copies of any additional materials and communications the Postal Service has prepared to make customers of affected post offices aware that mail, including payments, will be postmarked the following day and may take longer to reach the intended recipients than it did before the change.

**RESPONSE:**

(a) The customer communication reproduced in the referenced presentation was provided as a means of responding to customer inquiries at a retail facility or the customer call center.

(b) No additional materials have been provided at this time. As discussed in the response to CHIR No. 5, the Optimized Local Transportation initiative changes the Postal Service's local transportation schedule when originating mail is picked up from a retail facility or delivery unit to be taken to the processing network. From a customer standpoint, the Postal Service does not plan for the initiative to impact the pick-up times on collection boxes, the "start-the-clock" date, or the applicable service standards. The Postal Service also does not anticipate material impact to service performance. The Postal Service has been assessing how the changes to transportation may affect the application of the postmark that is applied to mail when that mail is cancelled in automation (the initiative has no impact on the application of the postmark at the retail counter). The Postal Service is continuing to assess this issue and will communicate with customers as appropriate as the initiative is rolled out.

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3. Please confirm the Postal Service considered requesting an advisory opinion from the Commission prior to the implementation of the Optimized Collection Plan.
  - a. If confirmed, please explain why the Postal Service determined seeking an advisory opinion was not necessary. If applicable, please discuss why the *Buchanan* factors for a change in the nature of service would not be met by these proposed changes.
  - b. If not confirmed, please explain why the Postal Service has not considered seeking an advisory opinion. Please also discuss whether the Postal Service will evaluate whether these changes to the local transportation schedule require seeking an advisory opinion from the Commission, and if the Postal Service plans to seek one in the future.

**RESPONSE:**

(a) – (b). Confirmed that the Postal Service has evaluated whether a request for an advisory opinion is required pursuant to 39 U.S.C. § 3661(b) in relation to this initiative. The Postal Service is committed to complying with all statutory, regulatory, and contractual requirements as we move forward with implementing initiatives under the DFA Plan. Therefore, as a matter of course, we assess whether any initiative being pursued pursuant to the DFA Plan requires that the Postal Service seek an advisory opinion from the Commission, based on consideration of the factors established in *Buchanan v. U.S.P.S.*, 508 F.2d 259 (5th Cir. 1975).

The Postal Service has concluded that this initiative does not require a request for an advisory opinion at this time. As noted in the response to Question 8 of CHIR No. 5, the purpose of the initiative is to improve the efficiency of the local transportation network under the existing First-Class Mail service standards that were implemented following publication of the DFA Plan, and which were the subject of prior advisory opinion proceedings. The Postal Service is not changing the “start-the-clock” for First-Class Mail or changing the application of the current service standards. The Postal Service also does

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not anticipate material impacts to First-Class Mail service performance from implementation of this initiative.

Moreover, at this point in time, the initiative has only been piloted in one region (Richmond). Indeed, even if a nationwide service change proceeding were deemed necessary here, its initiation would be premature at this juncture, with only limited, localized implementation. The Commission itself has suggested that pilot testing is an appropriate way to gather information in anticipation of the potential for a nationwide service change proceeding. See [PRC Advisory Opinion Docket No. N2021-1](#) at 99 (“The Commission finds the lack of testing to be problematic as data suggest that mail processing is dynamic and requires timely execution to provide reliable service performance.”).

Moving forward, the Postal Service is proceeding with the roll-out of the initiative in a deliberate and structured manner, will closely monitor its progress, and will comply with all applicable legal requirements.

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4. The Postal Service provides "volume information regarding the percentage of Single-Piece First-Class Mail at facilities in the Richmond region subject to optimized collection."
- a. Please also provide analogous volume information regarding the percentages for Market Dominant and Competitive mail products or groups of products, in the Richmond region subject to Optimized Collection Plan. If any of this information is not available by product or a group of products, please explain.
  - b. For each Market Dominant mail class and product within the class (excluding Special Services) as well as for Competitive products or groups of products please provide an estimate of the total volume at facilities in the Richmond region that are collected on a "Fully Optimized" and "Hybrid Optimization" route. See Supplemental Response at 5. If this information is not available for any products or groups of products, please explain.

**RESPONSE:**

(a) For Market Dominant mail products (which is single-piece First-Class Mail) in the Richmond area, below is the September 2023 density test data by optimization status.

Route Status	SPFC Density Percent
Fully Optimized	9%
Hybrid Optimization	22%
No Optimization	68%
Total	100%

For competitive products, data were collected in October 2023 based on retail entered and carried picked up volume. Please see the materials filed under seal in USPS LR-PI2023-4-NP6. It should be noted that these data would change as a result of changes in scope, for instance, the use of a different radius.

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(b) For Single Piece First-Class Mail in the Richmond area, below is the breakdown by volume.

Optimization Status	Sum of Density (Volume)
Fully Optimized	71,885
Hybrid Optimization	170,802
No Optimization	517,715
Total	760,402

For Competitive products, please see the materials filed under seal in USPS-LR-PI2023-4-NP5. It should be noted that these data would change as a result of changes in scope, for instance, the use of a different radius.



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5. Please confirm that the Postal Service has estimated the volume of (a) ballot mail and (b) remittances that will be impacted by the Optimized Collection Plan. If confirmed, please provide all available estimates separately for (a) and (b). If not confirmed, please explain.

**RESPONSE:**

Not confirmed. As an initial matter, all mail may have importance to senders, regardless of content and service standards do not apply on the basis of content contained in First-Class Mail. The methods of density testing used to estimate volumes subject to Optimized Local Transportation do not enable disaggregation by product subtype. Thus, while the Postal Service can estimate the percentage (for example) of First-Class Mail that will travel on currently optimized routes, it is not possible, with any degree of accuracy, to distinguish within that percentage between remittances, ballot mail, and other product subtypes. Nevertheless, the Postal Service has processes in place for the proper handling and timely delivery of ballot mail, as demonstrated during past election cycles, which are not impacted by this initiative.

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6. Please discuss whether during the 2024 election cycle, to ensure the timely processing of ballot mail, the Postal Service is planning to provide supplemental transportation to support to post offices impacted by the Optimized Collection Plan.

**RESPONSE:**

As an initial matter, Postal Service does not anticipate that the Optimized Local Transportation initiative will impact the timely processing or delivery of ballot mail. Nevertheless, consistent with longstanding policies and procedures, the Postal Service will deploy extra transportation resources to connect Election Mail to its intended destination or the next stage in Postal Service processing as needed. The Postal Service will also deploy extraordinary measures around Election Day, including, but not limited to, expedited handling, extra deliveries, and special pickups as used in past elections, to connect blank ballots entered by election officials to voters, or completed ballots returned by voters entered close to or on Election Day to their intended destination.

As also described in response to other questions (particularly question 5), the Postal Service is proceeding with the roll-out of the initiative in a deliberate and structured manner, and we are closely monitoring its progress, including any potential impact on Election Mail, not just ballot mail.

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7. Please discuss whether the Postal Service considered alternative transportation options to maintain current levels of service when evaluating the Optimized Collections Plan. In the response, please provide the results of the analysis and any relevant documentation, if available.

**RESPONSE:**

The Postal Service first notes that the status quo, which is essentially the alternative to the Optimized Local Transportation Plan, resulted in local transportation inefficiencies that need to be rectified. The Postal Service considered implementing local transportation to support the Regional Processing Center operation and associated Sorting and Delivery Centers with, and without Collection Optimization. Furthermore, several Collection Optimization scenarios were evaluated to assess transportation and processing benefits and potential impacts to volumes prior to implementation. For more information see the materials filed under seal in USPS-LR-PI2023-4-NP6.