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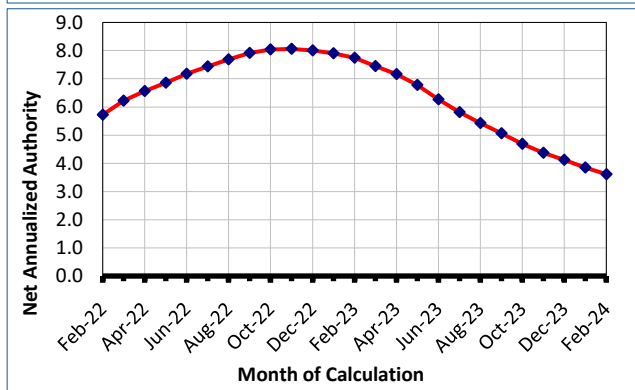
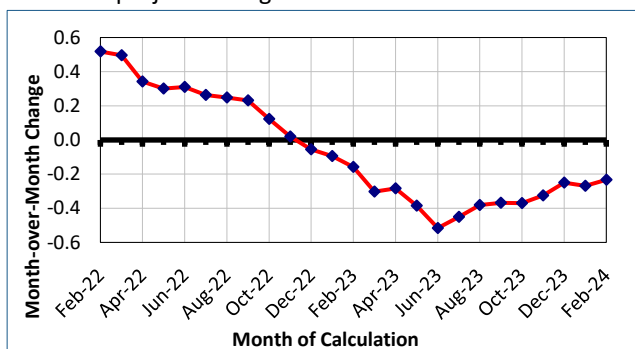
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## February CPI Defines Elements of Next Price Increase

Following release of the February CPI on March 12, the Postal Service's *annualized* CPI-based pricing authority was 3.613%. However, because Postmaster General Louis DeJoy has been seeking *semi-annual* rate hikes, the effective CPI-based authority after six months was only 1.622%. The USPS had earlier projected a figure of about 2%.



Though the Postal Service's *annualized* CPI-based rate authority fell again – for the fifteenth straight month – the month-over-month change has improved upward since June.

Though individual months' changes are mitigated by the period of the calculations, it's notable that the month-over-month change in the CPI was 1.909% in February, the biggest jump since January 2023. As growth in the CPI itself continues (as it has since November) it will be reflected in the twelve-month rolling average that defines USPS *annualized* rate authority. This will be evident when another price change is sought in October (to be implemented in January).

For a semi-annual increase, a different formula is used but still based on the monthly CPI data. Regardless, the Postal Service's actual CPI-based authority is the same (except for minor rounding differences) over a year as over two six-month periods. The benefits of the semi-annual pace (for the USPS) are that the prices on which percentage increases are based are marginally higher and that the resulting increased revenue can be captured sooner rather than later.

**The adders**

Despite the mild impact of the CPI, the majority of the next price increase will be the result of the "adders," the additional sources of rate authority established by the Postal Regulatory Commission is November 2020. Of the three, "density," "retirement," and "non-compensatory," the most hurtful will be "density," calculated by the Postal Service to be 4.312% – over two and a half times what the CPI will provide. The "retirement" adder was calculated to be 1.82%.

Only classes not currently covering their costs (e.g., Periodicals) are subject to the fixed 2% "non-compensatory" adder. The actual size of the "density" and "retirement" adders will be confirmed by the PRC in its *Annual Compliance Determination*, due by the end of March, but the Postal Service's figures should hold, barring any as yet undiscovered errors.

The Postal Service also has a "bank" of leftover rate authority that was unused in previous filings. At present, that's virtually nil: 0.001% for all classes except Periodicals (0.000%).

**The filing**

To implement the next price increase in July, the procedural schedule means the USPS must file for it with the PRC in early April, before the March CPI is published on April 10.

It's all but guaranteed that DeJoy will ask the governors to approve the maximum possible increase, and equally certain they'll accede to his request. So, with the component factors now known, the April filing likely will seek an increase of nearly 7% for most classes, with Periodicals 2% more:

Class	CPI	Bank	Density	Retirement	Non-compensatory	Total Auth
First-Class	1.622%	0.001%	4.312%	1.820%	n/a	7.755%
Marketing	1.622%	0.001%	4.312%	1.820%	n/a	7.755%
Periodicals	1.622%	0.000%	4.312%	1.820%	2.000%	9.754%
Package Svcs	1.622%	0.001%	4.312%	1.820%	n/a	7.755%
Special Svcs	1.622%	0.001%	4.312%	1.820%	n/a	7.755%

## PRC Approves Zone 10, Faults Unresponsive USPS

On March 22, the Postal Regulatory Commission approved a Postal Service proposal, filed November 22, 2023, to add a new Zone 10 to the prices for Priority Mail Express, Priority Mail, and USPS Ground Advantage. The USPS had stated in its filing that, if approved, the new Zone 10 prices would be effective at a future date, but no sooner than July 1, 2024.

### The filing

As the PRC summarized the Postal Service's proposal,

"... The proposed new Zone 10 and associated prices will apply to (1) packages originating in the Lower 48 States and destined to Alaska, Hawaii, or the US Territories (which include Puerto Rico, the US Virgin Islands, and territories in the Pacific, including Guam and American Samoa); (2) packages originating in Alaska and destined to Hawaii or the US Territories; (3) packages originating in Hawaii or a territory in the Pacific Ocean and destined to Alaska, Puerto Rico, or the US Virgin Islands; and (4) packages originating in Puerto Rico or the US Virgin Islands and destined to Alaska, Hawaii, or a territory in the Pacific Ocean. The proposed Zone 10 does not apply to packages that originate in Alaska, Hawaii, or the US Territories and are destined to the Lower 48 States."

The proposed prices are 5% higher than those that took effect on January 21. As the PRC further explained:

"To explain the rationale for its proposal, the Postal Service states that the new Zone 10 and associated prices 'will better align with the zoning practices of [its] competitors, who currently have separate zones for offshore destinations.' The Postal Service states that its 'competitors charge significantly more for shipments from the Lower 48 states to offshore locations than for shipments in the reverse direction.' The Postal Service also states that its decision to establish Zone 10 is 'cost-based in nature' because '[t]he cost of transport to offshore locations is higher on average than it is to transport to non-offshore destinations.' Specifically, the Postal Service explains that there are more limited transportation options to offshore destinations, and the use of air transportation, the mix of air transportation providers, and the need to use higher cost providers all contribute to higher costs. The Postal Service does not, however, provide specific data and sources demonstrating these cost factors or otherwise demonstrating support for the 'cost-based' nature of the new Zone 10 prices. ..."

### The order

In its order approving the rates, the commission noted that its statutory role is to review proposed USPS prices to ensure their legality, and that it has no authority to reject or alter proposed prices on other grounds, such as the prudence of the underlying policy or the adequacy of the Postal Service's consideration of related non-statutory issues.

"Despite significant concerns with the policy implications of the proposed changes and the Postal Service's handling of this proposal, the Commission recognizes that its role in reviewing proposed Competitive product rate and classification changes is extremely limited by law. The Commission approves the proposed price and classification changes as consistent with applicable law and finds that it has no legal basis to reject the proposed changes. At the same time, the Commission is concerned that the Postal Service's proposal does not reflect reasoned consideration of the potential widespread effects of its proposal, is not prudent, and is not consistent with the best interests of all stakeholders. The Commission strongly encourages the Postal Service and the Governors to give this proposal further consideration and study in

light of the overwhelming number of substantive concerns expressed in the record by Postal Service customers and stakeholders before determining whether it is prudent or necessary to establish a new Zone 10 for Priority Mail Express, Priority Mail, and USPS Ground Advantage and implementing new Zone 10 prices."

The commission had received over two dozen comments, many from Alaska's federal and state legislators, with all but one (ironically, from the PRC's "Public Representative") opposing the USPS proposal. As the commission noted:

"... The majority of the commenters describe the effects the Postal Service's proposal would have on individuals living in offshore areas and in Alaska in particular. Specifically, commenters raise concerns that the creation of Zone 10 would raise prices significantly and reduce shipping options in areas where individuals already face a higher cost of living, fewer delivery and shipping options, less reliable service, and more difficulty accessing certain goods. ...

"Several commenters discuss what they view as the Postal Service's obligation to serve and its history of serving all Americans at non-discriminatory prices. ... Several commenters assert that the Postal Service is a public service, and not a business, and state that the Postal Service is unfairly singling out offshore areas for disparate treatment and contributions to revenue and that it should instead use its market power to ensure fair pricing for all Americans and spread necessary price increases and the costs of service across the entire postal system or receive government subsidies. ...

"Several commenters question whether shipping services to Alaska or other offshore areas are part of a competitive market given the lack of alternatives available. ..."

### Concerns

Somewhat uncharacteristically, but just as significantly, the commission devoted about one-third of its order to address matters outside its narrow statutory authority to approve or reject pricing proposals:

"... based on the record before the Commission, the Commission is concerned that the Postal Service's proposal may not be prudent and that the Postal Service has not given its proposal adequate consideration and study. Thus, the Commission would be remiss if it did not raise the several concerns it has with the Postal Service's proposal and approach.

"...The Postal Service also states that it 'recognizes the possibility that customers or representatives of certain offshore locations may voice concerns regarding the impact of price increases from the establishment of Zone 10 pricing.' ... However, the Postal Service also acknowledges that it did not complete 'market research, customer impact studies, surveys, focus groups, and/or testing with alternative prices to determine the impacts of adding Zone 10 prices' and asserts that it 'did not find it necessary to conduct' such advance study.

"... The Postal Service's lack of advance study and research into the effects of its proposal is concerning as is the fact that the Postal Service has deemed such study unnecessary. ... Although none of these concerns provides a legally sufficient basis for rejecting the proposal, the Commission is concerned that the Postal Service's proposal may not be prudent and strongly encourages the Postal Service and the Governors to give this proposal further consideration and study before determining whether to establish a new Zone 10 and implement new Zone 10 prices.

The commission also questioned the lack of support for the Postal Service's claims of higher costs:

"... [Commenters] allege that the proposal may be an abuse of the Postal Service's pricing authority if the cost-basis is not substantiated. ... Although the Postal Service is correct that disaggregated Zone 10 costs are not necessary to determine the proposed prices' compliance with [statute], the Commission is concerned that the Postal Service claims its proposal is cost-based but has yet to undertake the effort to disaggregate Zone 10 costs and confirm that its assumption is supported by its available transportation data. Similar to its failure to undertake advance study and research of the effects of its proposal, the Postal Service's failure to determine actual Zone 10 transportation costs in advance of its initial filing is concerning. ...

"Although separate Zone 10 transportation costs are not necessary for approval of the Postal Service's proposal, such costs will need to be disaggregated for future regulatory purposes, including for annual compliance determinations and review of Competitive negotiated service agreements. Given this, the Commission directs the Postal Service to file a rulemaking proceeding proposing and supporting the methodological changes necessary to derive separate Zone 10 transportation costs for Priority Mail and USPS Ground Advantage within 90 days of the date of this Order."

The PRC also addressed the issue of universal service:

"Several commenters assert that the Postal Service has an obligation as a public service and pursuant to its universal service obligation to serve all areas of the country equally and at non-discriminatory prices. ... Although the universal service obligation requires that the Postal Service serve all areas of the nation, nothing in

current law requires the Postal Service to ensure equal prices for Competitive products across all areas of the United States. ...

"The law also contains the more general requirements that the Postal Service 'provide adequate and efficient postal services at fair and reasonable rates,' operate 'as a basic and fundamental service provided to the people . . . to bind the Nation together through the personal, educational, literary, and business correspondence of the people,' and 'render postal services to all communities.' The language of [the statutes] impose clear legal obligations on the Postal Service and its Governors. However, the Commission does not have enforcement authority over either of those provisions. ..."

To some observers, the myopic pursuit of additional revenue through Zone 10 prices without any evaluation of the market response or impact on customers is emblematic of Postmaster General Louis DeJoy arbitrary and high-handed attitude. Likely aware (and indifferent) that the PRC could do nothing about any issues outside its statutory role, and that the PRC could not require the USPS to give more than passing response to commenters' concerns, DeJoy saw little reason to not ratchet up prices where USPS competitors may already be charging more.

The commission was clearly frustrated that it's legal charter does not allow it to go beyond the simple numbers when reviewing a postal pricing proposal. Regardless, the PRC is doing what it can to examine the matter further, and has opened a public inquiry docket accordingly; see the article about that starting on page 5.

## Best Direct Mail Offers

Direct marketers know the offer you choose to send is extremely important. Sending the right direct mail offer to the right person drives direct mail ROI. When you start planning your direct mail offer, your design and target list should correspond to it. When there is a mismatch between them, your ROI is significantly reduced.

To create the best offers you need to first identify what type of offer you need.

- **Lead** – get people to show interest; usually, the offer is for something free.
- **Order** – get people to buy; usually, the offer is to buy something now.
- **Subscription** – get people to buy long term; usually, the offer is to buy something monthly.
- **Traffic** – get people to go to your website, store or event; usually, the offer is a discount.
- **Fundraising** – get people to make a donation; many times a premium free gift is the offer.

Your offer needs to be clear and easily understood. Keep in mind that, in general, the higher the price the lower your response rate will be. However, a lower response rate with high price purchases may be just what you need. Quality over quantity is the goal. After all, ROI is more important than response rate.

### Where to start

We recommend you start with your offer creation first, then your audience selection, and finally your creative design. The reason for this is to make sure that your list is targeted to the right people for your offer. This is also true for your design. You want it coordinated with your offer and appealing to your target audience.

- **Lead offer.** Let's look at a common lead offer: a white paper to qualify your leads for better ROI. You will want to get them to give you information or schedule a call in exchange for the paper. Since you are asking a lot of them you can give them a gift card in addition to the white paper once the call takes place. This builds rapport and commitment on both sides.
- **Order offer.** Now let's consider a common order offer: buy one get one free. In many cases the first order may represent breaking even or a slight loss. Your marketing goal is really to establish repeat business. You've already invested in marketing so if the customer experience is good, you should get repeat orders over time.
- **Traffic offer.** A common traffic offer is a 40% discount for a specific time period. You're trying to get people to your store during your event – the better the discount, the more traffic you'll have. The point is to sell as much as you can during the event, so the more people that come the better.
- **Fundraising offer.** Fundraising is a little different, in that your offer may just be the good feelings one gets when making a donation. Some nonprofits do offer a premium gift for a specific-sized donation in hope of getting more people to a higher donation amount. No matter what your offer is, you need to make sure it's appealing to the right people. It can take time to develop a great offer.

One of the benefits of direct mail is the ability to test different offers at the same time. Tracking which offer worked best leads you to better and better offers on future campaigns. Remember the better the offer the better your ROI.

Are you ready to get started?

This article was provided by Summer Gould, formerly of Eye/Comm, now an account executive with Neyenesch Printers, San Diego (CA). She may be contacted at [summer@neyenesch.com](mailto:summer@neyenesch.com).



# Report Finds Flaws in USPS “Elasticity” Models

One of the many technical components of the larger Postal Service ratesetting process is estimating “elasticity,” essentially the price sensitivity of mail volume and how it will respond to price changes.

A study by NDP Analytics, *Critiques of USPS Elasticities*, released March 13, “revealed numerous shortcomings that hinder the model’s ability to project volume and justify rate-making decisions that impact millions of Americans.”

Key Findings of the Critique	
USPS Volume Forecasts are Increasingly Unreliable	<ul style="list-style-type: none"> <li>While the model may perform well in explaining historical volume, it has failed—and increasingly so—at accurately forecasting.</li> <li>Over the past decade, excluding the pandemic, seven of the top ten market dominant products experienced their peak overestimation (actual volume lower than forecast) in FY2022 or FY2023.</li> </ul>
USPS Model Characteristics Reduce Accuracy in Forecasting	<ul style="list-style-type: none"> <li>The current demand model has shortcomings that limit its ability to forecast volume. The primary concerns are that the model is overfitted and too subjective.</li> <li>Some market dominant equations have over 20 explanatory variables. Too many variables take away from the explanatory power of price.</li> </ul>
USPS Elasticity Estimates Reflect Model Shortcomings	<ul style="list-style-type: none"> <li>Historical estimates of price elasticities vary noticeably for some mail types.</li> <li>Some demand equations produce unusually consistent elasticities given the nature and number of changes made to these equations each year, signaling that the model may be fessed to achieve similarity with previous results.</li> </ul>
USPS Model is Sensitive to Small Changes	<ul style="list-style-type: none"> <li>The USPS model is susceptible to a high degree of subjectivity. As a result, price elasticities will differ if other judgment calls are made regarding the model’s specifications.</li> <li>Small, reasonable changes to the model lead to different elasticity estimates. In some cases, the tweaks result in less inelastic demand, while others turn elastic.</li> </ul>
USPS Practices Limit Forecasting Accuracy & Accountability	<ul style="list-style-type: none"> <li>Some forecasting best practices followed by government agencies are currently not employed in the USPS model.</li> <li>Following them could improve forecast accuracy, provide greater transparency, and reduce the likelihood of the model being pushed to achieve specific outcomes.</li> </ul>

As the study’s authors noted:

“The [PMG’s 10-Year] plan includes biannual rate increases that exceed CPI for market dominant mail to help improve its financial position. The rate schedule is as follows: the first increase of the fiscal year is proposed in October and takes effect in January; the second is proposed in April, effective in July. Then, three months later, in October, the USPS proposed the first increase of the next fiscal year, and so on. As a result, each time the USPS proposes new rates, it does so with almost no data on the volume and revenue impact of the previous increase. While the pace and magnitude of ratemaking are unprecedented, scrutiny of USPS proposals has been minimal despite missed market dominant volume targets. In FY2023, this cost the USPS \$1.8 billion and contributed towards the total years-end \$6.5 billion in losses.

“USPS rate proposals have gone unchallenged, at least partly, because its demand model justifies the price increases. The model estimates the price sensitivity (*price elasticity of demand*) of market dominant products. In short, if demand for a product is not sensitive to price changes (*inelastic*), a rate increase may result in a decline in volume but will produce more revenue overall. However, misunderstanding customer sensitivity to price contributed to recent missed volume and revenue targets. Ignoring customer sensitivity to price may boost revenue in the short run but may

threaten USPS solvency in the long run. That is because USPS customers who reduce or eliminate mailing are less likely to return.”

## Statistical stuff

The average commercial mailer or customer – let alone the typical retail ratepayer – may care little about the statistical underpinnings of postal rates, but it’s those technical elements that eventually render what’s presented to the Postal Regulatory Commission is a price filing.

Some of the key points from the report:

- “The USPS model includes 40 custom equations to estimate demand for its market dominant products. Each demand equation contains variables that impact mail volume based on economic foundations, such as price, the state of the economy, time trends, and other factors. The equations use historical data to estimate the sensitivity of mail volume to price changes, known as *price elasticity*. The more sensitive demand is to price changes, the *more elastic* it is. If demand is not sensitive to price changes, it is considered *inelastic*.”
- “According to the USPS model, demand for market dominant mail is *inelastic*, though the degree varies by product.
- “... the model is overly complex, with potentially too many explanatory variables. In econometrics, throwing everything (except the kitchen sink) into a model to prevent omitting something that matters is tempting. However, in overly fine-tuning each equation to fit historical data, the model is at risk of being *overfitted*. Overfitting occurs when a model that has been trained to precisely explain historical data (such as volume) fails to perform well in out-of-sample forecasts, rendering the model useless. In other words, complexity does not improve accuracy. One review found that complexity increases error by 27%, on average.
- “... the model’s specification is highly calibrated, meaning model outcomes can be finessed by subjectively including or excluding certain variables (model changes happen annually). ...
- “... several equations that estimate mail demand are based on limited historical data. As a result, price elasticity estimates may be less reliable and more imprecise. This limitation is particularly concerning for Marketing Mail equations.
- “While there is a large degree of judgment (and debate) in econometric modeling, there are accepted best practices in the discipline. Some of those best practices are currently not employed in the USPS demand model. Following them could improve forecast accuracy, provide greater transparency, and reduce the likelihood of the model being too highly calibrated to achieve specific outcomes.
- “The characteristics of the USPS demand model raise red flags when relying on it for *predictive* purposes. ...”

The 22 pages of text and charts may not be suited for general consumption but, suffice to say, it makes a strong case for the USPS to gather reliable data from one price change before trying to estimate the impact of the next one. Unfortunately, that doesn’t comport with PMG Louis DeJoy’s headlong drive for higher prices, apparently indifferent of their long-term effect.

The study was commissioned by the Greeting Card Association and the Association for Postal Commerce (PostCom). The full report can be downloaded from the NDP Analytics website at <https://ndpanalytics.com/critique-of-usps-elasticities>. Hopefully someone will explain it to Louis DeJoy so he’ll understand why volume decline isn’t just “secular.”

## PRC Opens Inquiry into USPS Zone 10 Price Structure

As stated in its March 22 order approving Zone 10 prices for some competitive products, the Postal Regulatory Commission concurrently opened a Public Inquiry docket (PI2024-2) “to explore the appropriate classification of Zone 10 packages pursuant to 39 USC 3642 and whether the implementation of Zone 10 prices raises a material issue of fact concerning whether a violation of 39 USC 403(c) has occurred if the Postal Service elects to implement the Zone 10 prices.”

(The cited statutes state:

39 USC 403(c): “In providing services and in establishing classifications, rates, and fees under this title, the Postal Service shall not, except as specifically authorized in this title, make any undue or unreasonable discrimination among users of the mails, nor shall it grant any undue or unreasonable preferences to any such user.”

39 USC 3642(b)(1): “The market-dominant category of products shall consist of each product in the sale of which the Postal Service exercises sufficient market power that it can effectively set the price of such product substantially above costs, raise prices significantly, decrease quality, or decrease output, without risk of losing a significant level of business to other firms offering similar products. The competitive category of products shall consist of all other products.

39 USC 3642(b)(3): “In making any decision under this section, due regard shall be given to-

- (A) the availability and nature of enterprises in the private sector engaged in the delivery of the product involved;
- (B) the views of those who use the product involved on the appropriateness of the proposed action; and
- (C) the likely impact of the proposed action on small business concerns (within the meaning of section 3641(h)).”

As noted in its March 22 decision (see the article on page 2), the statutory authority of the PRC is limited only to assessing the legality of the proposed prices. Accordingly, though it approved the Zone 10 proposal as legal, the PRC could not act on its significant concerns that the Postal Service had filed its proposal with insufficient understanding of the marketplace, the costs on which it partially based its proposal, and the impact of the prices on specific customers, and without adequately supporting its proposal accordingly. The commission also faulted the USPS for minimally addressing the statements and concerns of commenters.

### *The inquiry*

As stated in its order establishing the inquiry docket:

“In Order No. 7016, the Commission acknowledged that its role in reviewing proposed Competitive product rate and classification changes was limited by law. ... However, the Commission also identified numerous concerns with the Postal Service’s proposal and urged the Postal Service to reconsider whether it is prudent or necessary to implement its proposal. The Commission also identified two areas that were particularly suited to further exploration in a separate public inquiry proceeding: (1) the question of whether Zone 10 packages are appropriately classified as Competitive products pursuant to 39 USC 3642 and (2) the question of whether the implementation of Zone 10 prices raises a material issue of fact concerning whether a violation of 39 USC 403(c) has occurred if the Postal Service elects to implement the Zone 10 prices.”

The PRC added that

“... the Commission appoints John Avila to serve as presiding officer in this docket. The presiding officer shall serve in an investigatory role and make filings in this docket as described in the body of this Order.”

“The Commission establishes this proceeding to appoint and direct a presiding officer to serve as an investigator to explore the appropriate classification of Zone 10 packages pursuant to 39 USC 3642 and whether the implementation of Zone 10 prices raises a material issue of fact concerning whether a violation of 39 USC 403(c) has occurred if the Postal Service elects to implement the Zone 10 prices. ...”

The PRC order further directed that “once the presiding officer serving as investigator has sufficient information” to make a determination on either matter, “the presiding officer shall file a public, written report to the Commission in this proceeding detailing his analysis and recommendations to the Commission on that issue.” In turn, “Upon receipt of these reports, the Commission will consider if further action in this docket or separate proceedings is appropriate.”

The PRC neither established a procedural schedule for the docket nor set a deadline by which the aforementioned reports were due.

However, the commission clearly expects that its “investigator” will gather a wide range of information, noting that

“In addition to consideration of 39 USC 403(c) and 3642, the underlying regulations, Commission precedent, the record of Docket No. CP2024-72, and the disaggregated costs the Postal Service has been directed to file within 90 days, the Commission anticipates that the presiding officer may need additional information from the Postal Service prior to conducting analysis and reaching any conclusions and expects him to issue presiding officer information requests as he deems appropriate to gather such information.”

The mandate to dig as deep as needed is obvious.

### *The timeline*

In its order on the Postal Service’s Zone 10 proposal, the commission had directed the Postal Service “to file a rulemaking proceeding proposing and supporting the methodological changes necessary to derive separate Zone 10 transportation costs for Priority Mail and USPS Ground Advantage within 90 days of the date of this Order,” i.e., by June 20.

Given other likely events – not the least of which would be a market-dominant price change filing in early April and a later competitive product price change filing (both for implementation in July) – its unlikely the USPS will file and conclude the mandated rulemaking anytime soon. If the required rulemaking allows for a thirty day comment period, and is followed by a period of rumination at USPS HQ before the results of the process are manifest, it could be well into the fall before a final rule is issued.

Given the breadth of activity related to the Postal Service’s Zone 10 proposal, it’s yet to be seen whether it will deter the agency’s leadership from implementing it as planned.

# USPS Announces Changes to Service Performance Measurement

In a March 18 filing with the Postal Regulatory Commission, the Postal Service announced two changes to its Service Performance Measurement plan. Both involve collection and retail mail and the related statistical processes.

## Collection box mail

As the USPS explained its first proposal:

“Collection box density data is based on the results of a Collection Box Density Test performed by Postal Service carriers once a year. The data reflects a point-in-time view of the collection volumes and does not capture seasonal variations in the data.”

The USPS found that “density test data varies significantly from the observed volume” and so “accordingly determined to use return address information as an alternative source to improve the accuracy of density reference data in First Mile measurement.” However, the agency stated, it has

“... ascertained that the proxy approach does not accurately reflect the decline in mail volume and changes in customer behavior in the past decade. The current proxy approach gives weight equally to all delivery points during volume proportioning, which does not reflect the reality that geographies where businesses are located may have more volume but less delivery points. With advancement in technology, there are now opportunities to capture more accurate referential data and improve the representativeness of SPM. The Postal Service intends to leverage return address information captured by mail processing equipment to create more accurate referential data that more directly represent the origin of mail being collected ... .”

## Service standards

In its second proposal, the USPS states it

“... intends to enhance SPM to align First Mile samples and retail pieces with their relative service standard and apply these profiles to corresponding census originating volume. ...

“As the Postal Service continues to review its network to drive efficiencies and, relatedly, continues to update and enhance its SPM Plan, a more granular measurement and reporting approach is needed to ensure the accuracy and representativeness of SPM First Mile calculations.

“To achieve this, USPS intends to update its SPM system to create separate First Mile profiles by service standard and align to corresponding census originating volume for that service standard.” In conclusion, the Postal Service asserted that it “expects that these changes will produce accurate, reliable, and more representative measurement of service performance.”

Statistically savvy observers can form their own opinions about whether what the USPS is proposing will deliver the results it expects. Regardless, as was reported in the March 11 issue of *Mailers Hub News*, significant portions of the mailstream remain not “in measurement.” As a result, whatever claims the USPS makes about its service performance still need to be taken with the appropriate grains of salt.

And, of course, measurement aside, true service is what matters, and that needs more improvement than any statistical measurement system.

# USPS Files Annual Appropriation Request

On March 11, the Postal Service filed its *Fiscal Year 2025 Budget Congressional Submission* detailing the purposes and amounts for which it was seeking direct funding from the US Treasury. At the opening of the 31-page document, the USPS listed the areas for which it was (or could be) seeking appropriations from Congress:

- **“Revenue Forgone.** The Postal Service requests funding in Fiscal Year 2025 for revenue forgone on free mail for the blind and overseas voting, plus reconciliation amounts for past years, consistent with 39 USC §2401(c).
- **“Revenue Forgone Reform Reimbursement.** The Postal Service requests funding authorized under 39 USC §2401(d) as reimbursement for losses incurred as a result of insufficient appropriations in Fiscal Years 1991 through 1993, and to compensate for revenues not received as a result of the rate phasing provisions of 39 USC §3626(a)(3)(B), as last in effect before enactment of the Postal Accountability and Enhancement Act.
- **“Public Service Costs.** For public service costs, 39 USC §2401(b)(1)(G) authorizes, for years after Fiscal Year 1984, an amount equal to 5 percent of the Post Office Department’s Fiscal Year 1971 appropriation. This amounts to \$460,000,000, however section 2401(b)(2) authorizes the Postal Service to reduce such percentage, including a reduction to zero.”

If Postmaster General Louis DeJoy’s aggressive pursuit of postage revenue is any reflection of the Postal Service’s financial condition, the agency’s note regarding the third basis for seeking an appropriation is more than ironic:

“The Postal Service has operated without this appropriation since Fiscal Year 1982, therefore, no appropriation for public service costs is requested during Fiscal Year 2025.”

The common supposition has been that the USPS wants both to avoid the strings that Congress might attach to a public service appropriation, and to continue being able to accurately claim that it “generally receives no tax dollars for operating expenses.” However, this policy has caused it to forego \$19.78 billion over the 43 years it has been invoked. Allowing for inflation over that period, the actual total would be much greater. (The \$460 million in 1982 is equal to over \$1.5 billion today.)

The USPS document summarized the requests, recommendations, and appropriations for Fiscal Years 2023-2025.

	FY2023			FY2024			FY2025	
	Request	OMB	P.L. 117-328	Request	OMB	P.L. TBD	Request	OMB
<b>A. Total Budget Authority (Appropriations).....</b>	<b>355,069</b>	<b>50,253</b>	<b>50,253</b>	<b>370,020</b>	<b>382,752</b>		<b>401,279</b>	<b>406,710</b>
<b>B. Program by Activity:</b>								
1. Public Service Costs .....	...	...	...	...	...	...	...	...
2. Free for the Blind and Overseas Voting .....	52,846	50,253	50,253	44,900	46,528	e/	48,077	41,486
3. Free and Reduced-rate Mail: Reconciliation Adjustment .....	(5,001)	-	-	(11,104)	-		(12,022)	-
4. Revenue Forgone Reform: Reimbursement .....	29,000	-	-	29,000	29,000	e/	29,000	29,000
Reimbursement in arrears .....	278,224	-	-	307,224	307,224	d/	326,224	326,224
5. Emergency Preparedness Costs .....	...	...	...	...	...	...	...	...
<b>Total Appropriations .....</b>	<b>355,069</b>	<b>50,253</b>	<b>50,253</b>	<b>370,020</b>	<b>382,752</b>	<b>e/</b>	<b>401,279</b>	<b>406,710</b>

a/ A total amount of \$95,253M was received on February 14, 2023 per P.L. 117-328, Consolidated Appropriations Act, 2023.  
b/ There was no FY2023 payment for the Revenue Forgone Reform Act, 1993.  
c/ FY2024 Passback notification was received on January 20, 2023 for a total amount of \$75,528M.  
d/ The total Revenue Forgone in arrears for FY2024 is \$307,224M.  
e/ The total OMB Proposal for FY2024 is \$382,752M.  
f/ FY2025 Passback notification was received on December 1, 2023 for a total amount of \$70,486M.  
g/ The total Revenue Forgone in arrears for FY2025 is \$326,224M.  
h/ The total OMB Proposal for FY2025 is \$406,710M.

A 1993 act provided \$29 million annually from 1994-2035 to repay the “revenue forgone” not paid from 1991 through 1993, but those payments weren’t made, either. The total “in arrears,” i.e., that Congress owes the USPS, is now over \$336 million; it’s unlikely they’ll pay up this year, either.



## Peters Calls for “Pause” in Network Changes, Notes USPS Failure to Respond

As reported March 20 by *Government Executive*, Sen Gary Peters (MI), chair of the Senate Homeland Security and Governmental Affairs Committee – which has USPS oversight – has asked Postmaster General Louis DeJoy to “pause” the ongoing reworking of the Postal Service’s processing and delivery networks. In a March 18 letter, Peters stated

“I write to express my significant concerns about the US Postal Service’s lack of transparency regarding planned changes to its processing and delivery network, and its insufficient responses to my December 5, 2023, letter about these changes. The Postal Service must be transparent about these network changes and their impacts on local service and communities.

“My December 5 letter requested detailed information about the full scope and timelines for the network changes, how USPS has assessed the projected service impacts, and additional information about impacts to employees and communities. USPS has not provided sufficient answers about the impacts of its network plans. In particular, USPS has failed to provide: any detailed assessments regarding the projected service impacts of these changes (for individual facilities and for the plan as a whole); any indication it will systematically study the impacts of initial changes before moving forward with its plan; timelines for the facility changes it intends to implement, including in 2024; and detailed information on additional impacts including costs, employee attrition, and other effects. I am disappointed by the quality and quantity of the information provided, given that USPS plans affect communities across the nation.

“USPS continues to move forward with facility changes, despite unanswered questions about the impacts on communities — and despite USPS’s initial promises that it would study the impacts of early changes before moving forward with its plan. On February 15, I sent a letter highlighting concerns after USPS announced a potential facility change in Michigan. The nature of USPS’s network changes has now raised significant concerns including the potential for degraded rural service due to fewer facilities, delayed delivery of election mail that would be processed at out-of-state facilities, and critical health information such as laboratory tests not being processed same-day due to decreased transportation trips. These changes and lack of transparency have also caused concerns for other Members of Congress, who have asked for similar information and received insufficient responses.

“I am increasingly concerned about the pace and impacts of these changes, and reiterate my request for fully responsive answers to my questions. I also call on USPS to pause all network

changes until it can clearly demonstrate that such changes will not degrade local mail service. This will be a top oversight priority for this Committee. I look forward to discussing these issues directly with you soon in addition to your full written response, which we request by April 1. Thank you for your attention to this urgent matter.”

The article added that

“Peter Pastre, the USPS vice president for government relations and public policy, said in response to the letter that Peters’ assertions were ‘highly inaccurate’ and the Postal Service has, in fact, gone to great lengths to share details of its plans. While Peters called those responses insufficient, Pastre noted the most recent response included dozens of pages with additional attachments that ‘provided data on service performance for specific transitioning sites.’ DeJoy himself has asked to brief the committee, but Pastre said Peters has not expressed an interest in accepting the offer until this week. The committee has received staff-level briefings and hundreds of notifications of changes at facilities, Pastre added, which provide significant detail on operational changes.

“DeJoy is unlikely to heed Peters’ request for a pause, as he has repeatedly spoken to the urgency of his efforts and called on lawmakers, regulators, and stakeholders not to interfere with them. The Postal Service is in the process of standing up hundreds of new Sorting and Delivery Centers and more of its regional mega-centers.

“Pastre confirmed the Postal Service had ‘no plans to pause the network investments and modernization’ efforts. Doing so, he said, would negatively impact employees, add costs, slow construction, harm performance, roll back new product offerings and damage the environment.”

DeJoy has previously expressed his disdain for any form of oversight or inquiry. At the January MTAC meeting, for example, he scoffed at anyone who might question what he’s doing – from mailer groups (who write “nonsense”) to Congress (“do you think I care if they call me before a committee?”) – and labeled anyone not wholeheartedly backing his Plan as an “antagonist.”

Clearly, the USPS and Sen Peters have different definitions of “transparency” and “information,” but whether Peters – or anyone else – will actually do anything about DeJoy’s intransigence remains to be seen. Meanwhile, DeJoy defiantly continues to do as he wishes, insulated from any consequences by the Board of Governors and friendly politicians.

## Problems in Palmetto

The new Palmetto Regional Processing and Distribution Center outside Atlanta apparently is off to a rough start. As reported March 15 by *CDLLife*,

“For weeks now, major delays have been reported at the United State Postal Service (USPS) Atlanta Regional Processing and Distribution Center located in Palmetto, Georgia. On March 14, *Atlanta News First* reported lines of trucks backed up a quarter of a mile at the Palmetto USPS center, with some truckers telling the outlet that they waited six or even eight hours to enter the facility. The outlet also reported that some drivers waited so long that they changed shifts while still in line. ...

“The USPS responded to complaints of problems at the facility, but did not provide an explanation for the delays: ‘While a vast majority of mail in the Atlanta area is being delivered in a timely manner, local management has been made aware of the

*concerns of some local customers regarding their mail delivery and are working quickly to resolve any issues.’”*



Apparently “local management” either drives home a different way or didn’t wonder why all the trucks were parked along the road outside the RPDC.

## All the Official Stuff

### Federal Register

#### Postal Service

##### NOTICES

**March 14:** Product Change [11]: Priority Mail Express, Priority Mail, and USPS Ground Advantage Negotiated Service Agreement [4], 18683, 18683, 18683, 18684; Priority Mail and USPS Ground Advantage Negotiated Service Agreement [7], 18682, 18682, 18683, 18683, 18683, 18684, 18684.

**March 21:** Product Change: Priority Mail and USPS Ground Advantage Negotiated Service Agreement [2], 20258, 20258.

**March 22:** Privacy Act of 1974; System of Records, 20506-20509.

##### PROPOSED RULES

[None].

##### FINAL RULES

[None].

#### Postal Regulatory Commission

##### NOTICES

**March 12:** New Postal Products, 17885-17886.

**March 13:** New Postal Products, 18444-18445.

**March 14:** New Postal Products, 18681-18682.

**March 18:** New Postal Products, 19366-19367.

**March 20:** New Postal Products, 19892-19893.

**March 22:** New Postal Products, 20505.

**March 25:** New Postal Products, 20711-20712.

##### PROPOSED RULES

[None].

##### FINAL RULES

[None].

#### DMM Advisory

**March 13:** International Service Suspension Notice – effective March 15, 2024 [Haiti].

### Postal Bulletin (PB 22646, March 21)

- Effective **April 1**, the Postal Service will revise Labeling Lists L001, L002, L004, L005, L007, L008, L012, L014, L201, L606, L607, and L801 to reflect changes in mail processing operations. Mailers are expected to label according to these revised lists for mailings inducted on or after the April 1, 2024, effective date through the May 31, 2024, expiration date. *Note:* Due to the extensive number of changes to L201 *Periodicals Origin Split and First-Class Mail Mixed ADC/AADC*, the changes will not be published in this *Postal Bulletin*. To access the L201 Labeling List changes, as well as a complete listing of EELs changes in Postal Pro (effective April 1, 2024), visit [postalpro.usps.com/operations/labeling-lists/changes-april-2024](https://postalpro.usps.com/operations/labeling-lists/changes-april-2024).
- Effective **March 21**, the IMM Individual Country Listing for Australia is revised to reflect an additional prohibition.
- Effective **March 21**, the IMM Individual Country Listing for Japan is revised to note a prohibition regarding the importation of firearms and weapons, and to revise the prohibition regarding narcotics.
- Effective **March 21**, the IMM Individual Country Listing for Uganda is revised to include the addressee's landline number, if possible, and any other relevant information on every item destined to Uganda.
- Effective **March 21**, 2024, the IMM Individual Country Listing for the United Kingdom of Great Britain and Northern Ireland is revised to note that blades are prohibited to the United Kingdom of Great Britain and Northern Ireland.
- Effective **March 24**, IMM Exhibit 252.22 is revised to reflect that Electronic USPS Delivery Confirmation International service (E-USPS DELCON INTL) is available to Ukraine (as of March 24, 2024).
- Effective **March 21**, Publication 431, *Post Office Box Service and Caller Service Fee Groups*, is revised to include the listed changes.

*Postal Bulletin* announcements of revisions to the DMM, IMM, or other publications often contain **two** dates: when a *revised document* is effective, and when a *revised standard* is effective. The effective date of a revised standard is typically *earlier* than when it will appear in a revised publication.

### USPS Industry Alerts

March 13, 2024

#### International Service Suspension Notice – Effective March 15, 2024

Effective March 15, 2024, the Postal Service will suspend international mail acceptance to **Haiti** until further notice due to unavailable transportation. Customers are asked to refrain from mailing items addressed to the following country, until further notice: Haiti. This service disruption affects 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. 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. 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. 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](https://about.usps.com/newsroom/service-alerts/international/?utm_source=residential&utm_medium=link&utm_campaign=res_to_intl).

March 13, 2024

#### Vice President, Product Solutions, Announces Retirement

Thomas (Tom) J. Foti, Vice President (VP) of Product Solutions, will retire from the Postal Service, effective March 30. Tom's postal career began over 35 years ago in July 1988 as summer intern at Headquarters within the Operations Support organization. He has served in numerous leadership roles over the past 23 years, holding several customer centric executive positions in mailing and shipping as well as management responsibilities in the Operations and Engineering organizations. Tom has served as the VP Product Solutions since November 2020. He has been responsible for providing and enabling access to innovative services, products, and solutions to retain First-Class Mail volume, drive direct mail growth, and creating and managing acceptance payment policies and programs with efficiency and customer focus. His responsibilities have also included managing existing product offerings and interfacing with external business customers to understand and adjust to meet market needs. Tom has fostered an environment of open communication and integrity to drive business results and employee development, as he led the nearly 2,500 employees – responsible for Product Management, Product Classification, Commercial Product Payment and Policy, Election and Government Mail, and the Pricing and Classification Service Center. Throughout his career, Tom has focused on key mail and shipping product strategies for the Postal Service. He has worked cross-functionally within the Postal Service and with the postal industry in developing and executing key business and product strategies to drive financial performance and improve the customer experience. He has also had past executive responsibilities in managing and



prioritizing USPS technology and engineering investments, developing shipping and international business strategies, as well as leading product development and management activities of direct mail and periodicals. He developed and led growth initiatives for the USPS including Every Door Direct Mail and new innovative promotions and incentives for direct mail products.

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March 13, 2024

**National Postal Forum – Overview, Benefits, and Why You Should Attend**

If you have never attended a National Postal Forum (NPF) or you need more information, please join Lindsey Taylor, Director, Industry Engagement and Outreach and Maureen Goodson, Executive Director of NPF on Wednesday, March 27, 2024, at 2 PM EST as they host a webinar explaining the benefits of NPF, why you need to attend, and the value and the return on investment it brings to you and your company. Don't miss out on the premier mailing and shipping conference that works directly with USPS to provide the most comprehensive educational and networking platform available in the industry. Click the link to join: <https://usps.zoomgov.com/j/1601620950?pwd=VHJCTXh2UU5Qc2orYkF0THlyTXJEU09>. We look forward to seeing you in Indianapolis! For additional information, please send an email to: [NPFFeedback@usps.gov](mailto:NPFFeedback@usps.gov).

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March 13, 2024

**Atlantic Area AIM Meeting**

Networking event, Monday, April 15; AIM Meeting, Tuesday, April 16. Embassy Suites Charlotte Uptown, 401 East Martin Luther King, Jr Blvd, Charlotte NC 28202. Contact Corey Adams ([tmkmf0@usps.gov](mailto:tmkmf0@usps.gov)).

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March 14, 2024

**Executive Appointment - Detail Announcement: Earl Johnson**

Earl Johnson has been detailed into the position of Director, Human Resources – Technical Services effective February 26, 2024. In this role, Earl will collaborate closely with Human Resource Services to facilitate the modernization, development, and support of software and HR applications. This includes overseeing the recruiting, hiring, and onboarding application redesign, directing the rollout of new software releases, and ensuring updates to existing HR technology applications. Earl was previously the Director, Addressing Technology. In that role, Earl managed addressing products and services and provided the USPS organization critical geospatial services. While Earl is serving in his new role, Starlene Blackwood will be detailed into the Director, Addressing Technology position. Starlene has over 35 years of experience managing Addressing Hygiene products, services and application development. In this role, Starlene will lead the advancement of Address Quality and Retail Technology development by creating modernized addressing and retail application tools, API services, and commercial addressing products. In addition, Starlene will drive strategic improvements to operational and organizational efficiencies by enhancing and optimizing the accuracy and quality of the Address Management Database data and Retail application development.

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March 14, 2024

**Reminder: Registration Deadline - Mail Growth Incentives**

To participate in the Mail Growth Incentives, customers must register, and both the mail owner and the Postal Service must agree to the baseline on or before June 30th. To ensure that the registration process is completed by the deadline, and mail owners can participate and earn postage credits based on their growth over registered postal FY2023 baselines, we are recommending mail owners allocate up to 30 days to attain baseline concurrence. As a reminder: Registration for the First-Class Mail and Marketing Mail Growth Incentives is to be done in the Mailing Promotions Portal, accessed through the Business Customer Gateway. Once registration is initiated, a Service Request (SR) is opened and all communications between registrant and USPS need to occur within the Service Request; this streamlines communication, allowing easy access across the organization in a centralized location. Registrants should promptly review the baseline volume and associated CRIDs shown within the registration Service Request – accessible in the Related Tab; if the volume and CRID information matches the mail owner records, the registrant should click on the “I agree” button to complete the registration process; if the information does not match, or the mail owner would like to discuss further, they should click the “I Disagree” button in the SR. Discussions can take time to investigate and review data to reach consensus among all parties. Any baselines not agreed upon, and registrations not completed, by June 30th will be ineligible to participate. Detailed information including Frequently Asked Questions, Terms and Conditions, and recorded presentations are available on PostalPro in First Class Mail and Marketing Incentives under “Resources” Link: [First-Class Mail and Marketing Mail Incentives | PostalPro \(usps.com\)](#)

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March 15, 2024

**2024 National Postal Forum Certification Courses**

Earn an Official USPS Certification! The National Postal Forum (NPF) 2024 Certification Program offers an exclusive opportunity for attendees to increase their professional skill set and commitment to ongoing education. In cooperation with USPS, the NPF is offering attendees three specialized training courses: Mail Design Professional (MDP), Direct Mail Marketing, and Mail Center Manager Course. To acknowledge accomplishment, NPF and the USPS will issue official certification to attendees that satisfy the minimum requirement for each course. Through a partnership with Credly, a digital credentials company, attendees will receive a digital badge to share across their online profiles, such as LinkedIn. Mail Design Professional (MDP) Course: Design is important to catch your customer's eye. For the best prices on direct mail postage, you need to design your piece with care so it can qualify for automation discounts. Learn the ins and outs of shape, address placement, and mail markings. The \$95 exam fee has been waived. Pre-registration is required, including a \$49 processing fee. The Direct Mail Marketing Course: This course will explore the customer journey and how you can tailor your direct mail to stand out amongst other messaging. In this course you will walk away with a certification that recognizes your understanding of the various inputs, tools, strategies, and mechanics of creating a successful direct mail campaign. To earn free certification, attendees must complete a minimum 7 workshop courses that include The Direct Mail Marketing Course qualifying designation. Mail Center Manager Course: There are many different aspects to understand to become proficient in the mail management space. The Mail Center Manager Course will teach you the valuable skills needed to manage more effectively, boost productivity, and cut costs. Attend the following five workshops and earn official NPF Mail Center Manager certification. In addition to the certification courses offered at NPF, a full registration affords you access to the Postmaster General's (PMG) Keynote Address, a Postal Executive Leadership General Session, over 100 workshops, a state-of-the-art Exhibit Hall, a PMG Town Hall, multiple networking events, and an awards luncheon. For more information and to register for NPF, click this link: [NPF](#). We look forward to seeing you in Indianapolis, Indiana June 2-5!

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March 21, 2024

**Organization Realignment**

Effective immediately, a new organization has been created, Infrastructure and Operations Support, which will be led by Ron Jarriel, who will serve as the Senior Vice President. The newly formed Infrastructure and Operations support team will focus on the execution of the USPS network transformation initiatives as outlined in the Delivering for America 10-Year Plan. Close cross-functional coordination in support of our infrastructure to drive operational improvements is core to our ability to successfully execute the new network design comprised of the regional processing and distribution centers, the local processing centers, the sorting and delivery centers, and our integrated logistics infrastructure. The below functions will report into this new organization and will be led by the following individuals: Facilities: Ben Kuo, Vice President; Fleet Management: Justin Glass, Director; Next Generation Delivery Vehicle Program: Victoria Stephen, Director; Facilities and Fleet Acquisition Portfolio: Martin Petrey, Senior Director; Service Quality Assurance: Greg White, Executive Director; Product Acceptance and Support: Randy Workman, Senior Director. With these reporting relationship changes, the new Service Quality Assurance team (formerly Strategic Initiatives), under Greg White’s leadership, will focus on assessing the health of our operations against quality standards as we strive for organizational excellence. This group will troubleshoot and address systemic issues in our network and across the Postal footprint. The Product Acceptance and Support team, led by Randy Workman, will leverage its reach as it partners with the Service Quality Assurance team to assess and address local operational issues.

March 13, 2024

**Business Customer Gateway eDoc Training Series – Intelligent Mail for Small Business Tool (IMsb)**

The Postal Service is hosting bi-weekly webinars on utilizing the Business Customer Gateway (BCG) for electronic documentation (eDoc) and postage statement submission. The topics alternate between using the Business Customer Gateway (BCG) / Postal Wizard (PW) and Intelligent Mail for Small Business (IMsb) Tool applications. Learn how to eliminate hard copy postage statements and submit Full-Service mail! Software customers should work with their software provider to find eDoc solutions. As an additional tool to assist mailers with the conversion to Electronic Postage Statement submission, the Postal Service has published a video outlining how to use the Business Customer Gateway and Postal Wizard postage statement submission available on PostalPro: Industry Session: Business Customer Gateway and Postal Wizard Recording | PostalPro (usps.com). Also, a recording of the IMsb Tool session has been posted on PostalPro: Industry Session: Intelligent Mail Small Business (IMsb) Tool Recording | PostalPro (usps.com). Upcoming webinars: March 26, Business Customer Gateway (BCG)/ Postal Wizard (PW); April 9, Intelligent Mail for Small Business Tool (IMsb); April 23, Business Customer Gateway (BCG)/ Postal Wizard (PW). Join us for the next session – Business Customer Gateway (BCG)/ Postal Wizard (PW) on Tuesday, March 26, 2024, at 1:00 PM EST. Meeting URL: <https://usps.zoomgov.com/j/1603767418?pwd=TFONWNVMXQ2UW1wcUVCCeT5WFilZz09>; Meeting ID: 160 376 7418; Password: 996767. If requested, enter your name and email address; Enter meeting password: 996767. Join Audio by the options below: Call using Internet Audio; Dial: 1-855-860-4313, 1-678-317-3330 or 1-952-229-5070 & follow prompts. Note: Meeting links and presentations are also posted on PostalPro and can be found at Mailing Services | PostalPro (usps.com).

March 22, 2024

**Global Express Guarantee (GXG) Service Resumption Effective March 26, 2024**

Effective March 26, 2024, the Postal Service will resume acceptance of Global Express Guarantee (GXG) to the following: **Ukraine**. 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](https://about.usps.com/newsroom/service-alerts/international/?utm_source=residential&utm_medium=link&utm_campaign=res_to_intl).

March 22, 2024

**Chicago Network Distribution Center Mail Redirection**

The Mail Direction Files (MDF): Effective March 23, the Mail Direction Errata File located in FAST will be updated with the following redirection. The redirection will be effective from March 22, 2024, until September 1, 2024, with a 10 day grace period until March 31, 2024. Mail can be dropped at both locations during the grace period. The below ZIP codes from the Chicago NDC (Locale Key: W12400, NASS Code: 60Z) will be redirected to Fox Valley (Locale Key: W13018, NASS Code: 605) for USPS Marketing Mail Flats and Periodical Flats only: 463-464, 530-532, 534-535, 537-539, 549, 600-608, 610-611. Currently ZIP code 604 SCF Periodicals Flats and Marketing Mail Flats are being redirected to the Chicago NDC. The redirection has been canceled and Drop Shipments will go back to South Suburban (Locale Key: W12009, NASS Code: 604).

**Calendar**

[To register for any Mailers Hub webinar, go to MailersHubWebinars.com](https://www.usps.com/mailershubwebinars)

**March 26 – Mailers Hub Webinar**

**April 9-10 – MTAC Meeting, USPS Headquarters**

**April 12-14 – MFSA Annual Conference, Houston (TX)**

**April 16 – Mailers Hub Webinar**

**May 7 – Mailers Hub Webinar**

**May 28 – Mailers Hub Webinar**

**June 2-5 – National Postal Forum, Indianapolis (IN)**

**June 2-6 – IPMA Educational Conference, Des Moines (IA)**

**June 18 – Mailers Hub Webinar**

**July 9 – Mailers Hub Webinar**

**July 14-17 – NACUMS Educational Conference, Austin (TX)**

**July 30 – Mailers Hub Webinar**

**August 13-14 – MTAC Meeting, USPS Headquarters**

**August 20 – Mailers Hub Webinar**

**September 10-12 – Printing United Expo, Las Vegas (NV)**

**September 17 – Mailers Hub Webinar**

**October 1 – Mailers Hub Webinar**

**October 15 – Mailers Hub Webinar**

**October 22-23 – MTAC Meeting, USPS Headquarters**

**November 12 – Mailers Hub Webinar**

**December 3 – Mailers Hub Webinar**



The services of Brann & Isaacson are now available to provide legal advice to subscribers. 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. As part of their subscription, Mailers Hub subscribers get an annual

consultation (up to one hour) from Brann & Isaacson, and a reduced rate for additional legal assistance. The points of contact at Brann & Isaacson are: Martin I. Eisenstein; David Swetnam-Burland; Stacy O. Stitham; Jamie Szal. They can also be reached by phone at (207) 786-3566.

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