

Appendix: Commission Recommendations

Regional Transportation Optimization (RTO) Recommendations

RTO Recommendations	Section
The Commission recommends that the Postal Service better prepare for its announced changes, including creating RTO-specific plans and models, before rolling out the RTO initiative on a nationwide basis.	VII.A. at 96
The Commission urges the Postal Service to begin tracking metrics, such as the average number and length of nationwide layovers, before implementing RTO so that it has a baseline to which it can compare the success of the initiative.	VII.B. at 108
The Commission recommends that, at relevant RTO Post Offices, the Postal Service extend the time customers have to deposit mail by collecting from blue collection boxes, lobby drops, and Self-Service Kiosk parcel receptacles closer to the morning dispatch time.	VII.B. at 109
The Commission notes that to maximize cost savings, instead of static thresholds, the Postal Service could leverage its extensive facility-level data to develop and rely on thresholds for specific Regional Processing and Distribution Centers (RPDCs) or even develop non-threshold methods for determining RTO designations.	VII.B. at 110
While the rollout of RTO requires successful implementation, the Commission recommends the Postal Service explore ways to categorize RPDC facilities and apply category-based thresholds to potentially increase the benefits of optimization and reduce the scope of downgrades without complicating implementation.	VII.B. at 111
The Commission recommends that the Postal Service supplement its business judgment regarding a 50-mile threshold with more data-based analysis to explore different methods for determining RTO designations, such as one based on travel time, and measure the benefits of RTO against the service impacts.	VII.B. at 111
The Commission recommends that the Postal Service resolve the contradiction of advocating for a regional approach while still allowing certain Local Processing Centers (LPCs) to retain cancellation operations.	VII.B. at 113

RTO Recommendations	Section
The Commission recommends the Postal Service minimize the use of exceptions in implementing its initiatives by developing and implementing a systematic approach to capture the interactions between RTO and the network design.	VII.B. at 117
The Commission agrees with the National Postal Policy Council (NPPC) recommendations to tie RTO implementation to the operational launch of the servicing RPDC into operation in a specific region, and not nationwide all at once.	VII.B. at 118
The Commission recommends that the Postal Service learn from its negative experience implementing Dynamic Routing Optimization (DRO) to inform its preparation for implementing RTO.	VII.B. at 118
The Commission encourages the Postal Service to create a thorough implementation plan to facilitate the strong execution of its RTO initiative and set up relevant timelines.	VII.B. at 119
The Commission recommends a more measured approach to implementation strategy based on the Postal Service's experience with Local Transportation Optimization (LTO) pilots where "compressed" timelines created issues. This might include a testing period with RTO pilots.	VII.B. at 119
In order to establish an accurate representation for the potential impacts of RTO, the Commission recommends that the Postal Service initiate an RTO pilot before rolling the initiative out nationwide.	VII.B. at 124
The Commission recommends that the Postal Service address concerns regarding outdated and inappropriate source data and assumptions to improve the internal validity of the LTO Model going forward.	VII.B. at 125
The Commission recommends that the Postal Service develop a model that accurately reflects the nature of transportation under RTO as the LTO Model results cannot serve as an adequate proxy. Such a model should ideally include cost and service impact data from RTO pilots in which RPDC activations and other network changes are introduced along with RTO.	VII.B. at 130

RTO Recommendations	Section
The Commission recommends the Postal Service conduct further preparation before beginning the RTO initiative to improve its likelihood of achieving implementation success, including finalizing the list of post offices eligible for RTO, creating a detailed project implementation plan for RTO beginning with a RTO pilot, and creating a model to estimate RTO transportation cost savings specifically.	VII.B. at 131

Leg 2 Transportation Recommendations

Transportation Recommendations	Section
The Commission strongly recommends that the Postal Service develop a comprehensive and integrated model to capture and analyze the interaction of all elements of the network (e.g. facility location selection, Leg 1 transportation, Leg 2 transportation, and mail processing) to observe and understand the overall impact on performance and cost savings.	VII.A. at 100
The Commission recommends the Postal Service develop a stochastic network model, which will allow for more variability in the modeled network and provide more detailed outputs which can better inform the placement and designation of RPDCs.	VII.C. at 149

Processing Efficiencies Recommendations

Processing Efficiencies Recommendations	Section
The Commission strongly recommends that the Postal Service use more rigorous methods or models to prove its estimates instead of just relying on its business judgment when adjusting how RPDCs and LPCs function.	VII.A. at 99
The Commission encourages the Postal Service to review and analyze its facility-level data to ensure that the productivity improvements are achievable and that the proposed operational changes will have their intended effect.	VII.D. at 176

Processing Efficiencies Recommendations	Section
The Commission recommends the Postal Service evaluate its implementation procedures to minimize issues that arise during the process.	VII.D. at 176
The Commission urges the Postal Service to model the arrival profiles under RTO in order to better plan for the subsequent changes to operations.	VII.D. at 179
The Commission urges the Postal Service to adopt more rigorous methodologies to ensure that the proposed changes will provide all the benefits described, including to study and incorporate data and lessons from past RPDC implementations.	VII.D. at 191
The Commission encourages the Postal Service to provide specific metrics, related to each change, for assessing the success of its initiatives.	VII.D. at 191

Effects on Service Recommendations

Effects on Service Recommendations	Section
In light of the Commission's analysis concerning the disparate negative impacts on Market Dominant mail, the Commission strongly advises the Postal Service to closely monitor the impact of its proposed changes to the service standards on Market Dominant mailers and customers and to modify its plans and take immediate mitigation measures if service impacts are greater than expected.	VII.E. at 207
In order to minimize negative service performance impacts, the Commission concludes that the Postal Service must identify and learn from its mistakes as quickly as possible and not overlook or ignore systemic challenges in its determination to implement the proposed network and operational changes.	VII.E. at 226

Service Performance Measurement (SPM) Recommendations

SPM Recommendations	Section
Should the Postal Service determine to move forward with implementing the change, the Commission strongly encourages the Postal Service to seek out ways to clearly communicate with customers this change and how it affects postmarking and delivery expectations for mailpieces.	VII.F. at 238
The Commission urges the Postal Service to clearly and transparently communicate the impacts of proposed service standard and service performance measurement changes when those changes impact the underlying service received by customers.	VII.F. at 238-39
Given the change has not been transparently presented, the Commission strongly encourages the Postal Service to seek out ways to clearly communicate this change with customers, including how it affects the expected cancellation date and delivery expectation for mailpieces and in its presentation of expected service in its proposed 5-Digit to 5-Digit ZIP Code lookup tool.	VII.F. at 243
The Commission recommends that the Postal Service develop, test, and present to the Commission and the public a measurement system capable of accurate, reliable, and representative service performance measurement at the 5-Digit ZIP Code level before moving forward with its proposed service standard changes.	VII.F. at 243

Local Changes, Customer Communications, and Election Mail Recommendations

Local Changes, Customer Communications, and Election Mail Recommendations	Section
The Commission finds that the Postal Service should make more of an effort to educate mailers on the significant changes being made and suggests that the Postal Service mail flyers to affected residences or place notices in PO Boxes.	VII.G. at 249
With the determination that the Postal Service's current handling of election mail is reasonable, the Commission recommends that the Postal Service generate a plan to address election mail in future elections for the final state of the RTO and LTO initiatives with consideration given to the unique rules of each state's election board.	VII.G. at 250

Financial/Cost Savings Recommendations

Financial/Cost Savings Recommendations	Section
The Commission suggests that the Postal Service apply a more robust approach, grounded in quantitative evidence and real-world testing, when determining capture rates to meet the standards of reliability necessary for sound capture rate and financial projections.	VII.H. at 255-56
Should the Postal Service proceed with implementing these initiatives, the Commission recommends that it closely monitor their progress to ensure that cost savings are realized and balanced with the maintenance of high-quality service standards.	VII.H. at 263
The Commission encourages the Postal Service to validate its capture rates with empirical data, conduct scenario-based modeling to assess outcomes under varying conditions, and establish clear timelines and milestones to improve accountability and transparency in achieving its cost savings goals.	VII.H. at 263

Service Standards Objectives and Factors Recommendations

Service Standards Objectives and Factors Recommendations	Section
The Commission strongly advises the Postal Service to consider its obligations under 39 U.S.C. § 101(a) and (e), and reconsider the impact of its proposed changes to the service standards, particularly on rural areas and the rural citizens and businesses who rely most heavily on the Postal Service.	VII.I. at 274
The Commission strongly advises the Postal Service to take into consideration the concerns expressed in this docket as it continues to develop and implement the proposed changes.	VII.I. at 274-75
The Commission advises the Postal Service to closely monitor and measure the implementation of its planned changes to determine whether they actually achieve the objectives outlined above or whether some of the negative the impacts projected by the Commission and concerned parties actually come to fruition.	VII.I. at 275