

Postal Regulatory Commission

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Press Release

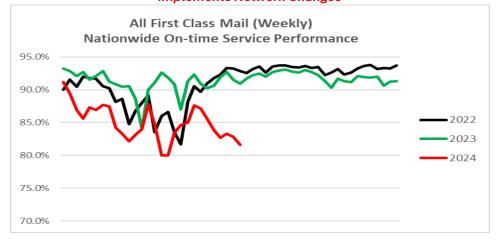
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PRC Directs USPS to Provide its Justification for Not Requesting an Advisory Opinion on Certain Initiatives Associated with its DFA Plan

Washington, DC – Today the Postal Regulatory Commission issued <u>Order No. 7061</u> directing the Postal Service to either show cause within 20 days of the Commission's order as to why an advisory opinion is not warranted for the recent initiatives being implemented under its Delivering for America Plan (DFA), or else file a request for an advisory opinion within 40 days of the order.

In a previous order, the Commission explained that the DFA Plan is not in and of itself a change requiring an advisory opinion. However, the Commission noted that specific initiatives could require a request for an advisory opinion. Since the Commission's last advisory opinion in 2022, the Postal Service has introduced and begun implementing new DFA initiatives, including an overhaul of its processing and delivery network, local transportation optimization, and logistics career insourcing. The show cause order noted a correlation between the DFA network changes and service problems in areas implementing the changes, such as Atlanta, GA, Houston, TX, and Richmond, VA. The Commission also noted that nationwide service performance has been declining.

Nationwide Service Performance Has Declined in FY 2024 as the Postal Service Implements Network Changes



Commission Chairman Michael Kubayanda emphasized the importance of the order and potential advisory opinion, noting "As the Commission issues this show cause order, we don't have firm proof of what is causing the recent decline in service performance. I think the American public, postal stakeholders, and Congress want to understand the impact of the Postal Service's network transformation plans. They want to know what is happening to mail service, how to stop this decline, how to keep it from spreading, and how to restore service to targeted levels of performance. Those are the questions the Commission is looking to answer with this order."

The Postal Regulatory Commission is an independent federal agency that provides regulatory oversight over the Postal Service to ensure the transparency and accountability of the Postal Service and foster a vital and efficient universal mail system. The Commission is comprised of five presidentially appointed and Senate-confirmed Commissioners, each serving terms of six years. The President designates the Chairman. In addition to Chairman Michael Kubayanda, the other commissioners are Vice Chairman Tom Day and Commissioners Ann Fisher, Ashley Poling, and Robert Taub. Follow the PRC on Twitter: @PostalRegulator and LinkedIn.