



Postal Regulatory Commission

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Press Release

January 30, 2024

Postal Regulatory Commission Affirms its Commitment to Timely Review of NSAs and Importance of Innovation

Washington, DC – The Postal Regulatory Commission issued a notice today to clarify the outcome of a recent Market Dominant Negotiated Service Agreement (NSA) approved by the Commission. The Commission reaffirmed its commitment to timely review and approval of Market Dominant NSA applications that comply with the law and recognized the importance of innovation.

In its request, the Postal Service stated that it intended to begin implementing the agreement “in January 2024 or shortly thereafter.” The Commission approved the Market Dominant NSA on November 22, 2023, consistent with the Postal Service’s request. On January 17, 2024, the Postal Service informed the Commission that the mailer had decided not to implement the NSA.

Although the Commission approved the NSA on a schedule consistent with the Postal Service’s request, its recent notice blamed a supposed Commission delay for the failure to implement the NSA. The Postal Service made this claim even though it never informed the Commission the NSA needed to be approved earlier to allow for implementation.

NSAs are specialized contracts between the Postal Service and mailers. When Congress authorized the Postal Service to enter into Market Dominant NSAs, it required the Commission to find that an NSA would either improve the net financial position of the Postal Service or enhance its operational performance. The Commission uses accepted analytical principles to evaluate whether proposed NSAs comply with this law.

The proposed NSA had a novel design that could not be evaluated using the Commission’s accepted analytical principle, and the Postal Service’s application did not propose an alternative

methodology. In order to comply with the law, the Commission asked the Postal Service to provide data that could be used to perform an alternative analysis of the issue. The Postal Service declined to provide this data.

Rather than reject the incomplete request, the Commission, recognizing the importance of innovation to counteract mail volume declines, provisionally approved the Postal Service's request. The Commission's provisional approval included a requirement for data monitoring to evaluate whether the agreement performed as projected.

The Commission intended to use the data and experience gained from the agreement to help develop a new accepted analytical principle to enable the approval of similar NSAs in the future.

The Commission encourages the Postal Service and its customers to pursue Market Dominant NSAs that comply with the law and stands ready to address future, complete NSA filings in a timely manner. Proposed NSAs should be based on accepted analytical principles. If the Postal Service and its partners believe established analytical principles are inadequate, the Commission's rules provide guidance on proposing an alternative methodology.

For future Market Dominant NSA requests, the Commission encourages the Postal Service to use the guidelines in the Commission's order number [6949](#): "COMMISSION RESPONSE TO THE POSTAL SERVICE'S NOTICE REGARDING IMPLEMENTATION OF PUBLISHER'S CLEARING HOUSE NSA".

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 Thomas Day and Commissioners, Ann Fisher, Ashley Poling, and Robert Taub. Follow the PRC on Twitter: @PostalRegulator and LinkedIn.