



POSTAL REGULATORY COMMISSION

[Docket No. PI2024-1; Order No. 7014]

Public Inquiry on Modification of Service Performance Measurement Plan

AGENCY: Postal Regulatory Commission.

ACTION: Notice.

SUMMARY: The Commission is recognizing a recently filed Postal Service request proposing modifications to its Service Performance Measurement Plan for Market Dominant products and related measurement changes. This notice informs the public of the filing, invites public comment, and takes other administrative steps.

DATES: *Comments are due:* April 3, 2024.

ADDRESSES: Submit comments electronically via the Commission's Filing Online system at <http://www.prc.gov>. Those who cannot submit comments electronically should contact the person identified in the **FOR FURTHER INFORMATION CONTACT** section by telephone for advice on filing alternatives.

FOR FURTHER INFORMATION CONTACT: David A. Trissell, General Counsel, at 202-789-6820.

SUPPLEMENTARY INFORMATION:

On March 18, 2024, the Postal Service filed a notice, pursuant to 39 CFR 3055.5, notifying the Commission of proposed modifications to its Service Performance Measurement (SPM) Plan for Market Dominant products and related measurement changes.¹ The most recent version of the SPM Plan that is the subject of this proceeding was approved for implementation on July 18, 2022,

¹ United States Postal Service Notice of Filing Changes to Service Performance Measurement Plan Document, March 18, 2024 (Notice).

in Docket No. PI2022-3.² Accompanying the Notice is a library reference, which contains a copy of the Postal Service’s SPM Plan, revised March 18, 2024 (both redline and clean versions).³ The Postal Service intends to implement its proposed modifications “no earlier than 30 days after the filing of this Notice with the Commission.” Notice at 2.

The Postal Service explains that the two principal changes it is proposing are related to the measurement of Single-Piece First-Class Mail. *Id.* at 1. Specifically, the Postal Service proposes to: “1) apply a data-driven approach to collection box density and origin proportion referential data; and 2) enhance SPM to align First Mile samples and retail pieces to their relative service standard service standard and apply these profiles to corresponding census originating volume.” *Id.* The Postal Service also proposes “other minor revisions, including word choice and grammar.” *Id.*

The Postal Service states that SPM currently relies on “collection box density referential data to determine sampling targets and origin proportion referential data to align collection samples and retail pieces to Single-Piece First-Class Mail originating volume.” *Id.* at 3. Collection box density data are based on the results of a Collection Box Density Test performed by mail carriers once a year, which, the Postal Service contends, does not capture seasonal variations in

² On July 18, 2022, the Commission approved the Postal Service’s proposed modifications to the Service Performance Measurement Plan, except for the proposed change to the critical entry times (CET) for Periodicals because the Postal Service was first required to file a request for an advisory opinion pursuant to 39 U.S.C. 3661(b) and in accordance with 39 CFR part 3020. Docket No. PI2022-3, Order Directing the Postal Service to Request an Advisory Opinion Prior to Implementing its Proposed Change to the Critical Entry Times for Periodicals and Approving the Other Proposed Revisions to Market Dominant Service Performance Measurement Plan, July 18, 2022, at 26-27 (Order No. 6232). As directed on September 2, 2022, the Postal Service filed the request for an advisory opinion from the Commission. Docket No. N2022-2, United States Postal Service's Request for an Advisory Opinion on Changes in the Nature of Postal Services, September 2, 2022. On November 30, 2022, the Commission provided its written advisory opinion. Docket No. N2022-2, Advisory Opinion on Changes to the Critical Entry Times for Certain Categories of Periodicals, November 30, 2022.

³ Library Reference USPS-LR-PI2024-1/1, March 18, 2024.

the data. *Id.* The data are also currently input manually, which the Postal Service maintains is “subject to potential data input error.” *Id.* The Postal Service states that “deficiencies in the accuracy and representativeness of this data were validated through sample randomized collection box inspections conducted in 2024 that showed large variations in the observed collection box density relative to the referential data.” *Id.* Therefore, the Postal Service proposes using “return address information as an alternative data source to improve the accuracy of density reference data in First Mile measurement.” *Id.* at 4.

Similarly, the Postal Service states that origin proportion referential data is currently “determined by estimating the origin volume proportion that a ZIP Code represents of its district for a given mail product by using USPS delivery point data as a proxy for where volume originates.” *Id.* The Postal Service states that this “proxy approach does not accurately reflect the decline in mail volume and changes in customer behavior in the past decade,” because it “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 volumes but less delivery points.” *Id.* The Postal Service therefore proposes replacing the existing origin proportion referential data with return address data captured by mail processing equipment. *Id.* at 5. For both collection box density and origin proportion referential data, the Postal Service states that it intends to automate the generation and integration of return address data into the SPM system each quarter. *Id.*

With respect to aligning First Mile samples and retail pieces to their relative service standard, the Postal Service states that “[c]urrently, there is one combined First Mile profile across all service standards, which is then equally

applied to the census originating volume data for each service standard.” *Id.* The Postal Service states that “a more granular measurement and reporting approach is needed to ensure the accuracy and representativeness of SPM First Mile calculations.” *Id.* Therefore, the Postal Service proposes to “update the SPM system to create separate First Mile profiles by service standard and align to corresponding census originating volume for that service standard.” *Id.* at 5-6.

Interested persons are invited to comment on the Postal Service’s proposed modifications to its SPM Plan and related measurement changes. Comments are due April 3, 2024. The Commission does not anticipate the need for reply comments at this time. The Commission intends to evaluate the comments received and use those suggestions to help carry out its service performance measurement responsibilities under Title 39 of the United States Code. Material filed in this docket will be available for review on the Commission’s website, <http://www.prc.gov>. The Commission appoints Nikki Brendemuehl to represent the interests of the general public (Public Representative) in this docket.

It is ordered:

1. Docket No. PI2024-1 is established for the purpose of considering the Postal Service’s proposed revisions to its Service Performance Measurement Plan for Market Dominant products and related measurement changes.
2. Interested persons may submit written comments on any or all aspects of the Postal Service’s proposals no later than April 3, 2024.
3. Nikki Brendemuehl is designated to represent the interests of the general public (Public Representative) in this docket.
4. The Secretary shall arrange for publication of this Notice in the **Federal Register**.

By the Commission.

Erica A. Barker,

Secretary.

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