



POSTAL REGULATORY COMMISSION

[Docket No. ACR2024; Order No. 8460]

FY 2024 Annual Compliance Report

AGENCY: Postal Regulatory Commission.

ACTION: Notice.

SUMMARY: The Postal Service has filed an Annual Compliance Report on the costs, revenues, rates, and quality of service associated with its products in fiscal year 2024. Within 90 days, the Commission must evaluate that information and issue its determination as to whether rates were compliant and whether service standards in effect were met. To assist in this, the Commission seeks public comments on the Postal Service's Annual Compliance Report.

DATES: *Comments are due:* January 28, 2025. *Reply Comments are due:* February 11, 2025.

ADDRESSES: Submit comments electronically via the Commission's Filing Online system at <https://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:

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I. Introduction

On December 30, 2024, the Postal Service filed with the Commission its *Annual Compliance Report* (ACR) for fiscal year (FY) 2024, pursuant to 39 U.S.C. 3652.¹ Public portions of the Postal Service's filing are available on the Commission's website at <https://www.prc.gov>. The filing begins a review process that results in an *Annual Compliance Determination* (ACD) issued by the Commission to determine whether Postal Service products offered during FY 2024 complied with the applicable requirements of title 39 of the United States Code.

II. Overview of the Postal Service's FY 2024 ACR

Contents of the filing. The Postal Service's FY 2024 ACR consists of a 92-page narrative. FY 2024 ACR at 1-92. Additional materials are appended as separate folders and identified in Attachment One. *Id.* at 11. In line with past practice, some of the materials appear in non-public annexes. *Id.* at 41-42. An application for non-public treatment of certain materials is filed as Attachment Two. *Id.* at 42.

Library Reference USPS-FY24-17 presents the *United States Postal Service Fiscal Year 2024 Annual Report to Congress*, which includes the Fiscal Year 2024 Annual Report, the Fiscal Year 2024 Comprehensive Statement on Postal Service Operations, the Fiscal Year 2024 Performance Report, and the Fiscal Year 2025 Performance Plan.²

¹ United States Postal Service FY 2024 Annual Compliance Report, December 30, 2024 (FY 2024 ACR).

² *Id.* at 12. Since Docket No. ACR2013, the Commission has published a separate notice soliciting comments on these materials, which are prepared by the Postal Service pursuant to 39 U.S.C. 2803 and 39 U.S.C. 2804, and has provided the Commission's analysis in a separate report from the ACD. See, e.g., Docket No. ACR2023, Postal Regulatory Commission, *Analysis of the Postal Service's FY 2023 Annual Performance Report and FY 2024 Performance Plan*, July 2, 2024, at 11. The Commission will continue this practice in Docket No. ACR2024.

Similarly, a copy of the Postal Service's annual report to the Secretary of the Treasury regarding the Competitive Products Fund, required by 39 U.S.C. 2011(i), appears as part of Library Reference USPS-FY24-39, along with the other Competitive Products Fund materials required by 39 CFR 3060.20 through 3060.23. FY 2024 ACR at 12.

"Roadmap" document. A roadmap to the FY 2024 ACR can be found in Library Reference USPS-FY24-9. *Id.* This document provides brief descriptions of the materials submitted, as well as the flow of inputs and outputs among them; a discussion of differences in methodology relative to Commission methodologies in last year's ACD; and a list of special studies and a discussion of obsolescence, as required by Commission rule 39 CFR 3050.12. *Id.* at 12-13.

Methodology. The Postal Service states that it has adhered to the methodologies historically used by the Commission, subject to changes identified and discussed in Library Reference USPS-FY24-9 and in prefaces accompanying the appended folders. *Id.* at 13.

Market Dominant product-by-product costs, revenues, and volumes. Comprehensive cost, revenue, and volume data for all Market Dominant products of general applicability are shown directly in the FY 2024 Cost and Revenue Analysis (CRA) or International Cost and Revenue Analysis (ICRA). *Id.* The FY 2024 ACR includes a discussion by class of each Market Dominant product, including costs, revenues, and volumes, workshare discounts, and passthroughs responsive to 39 U.S.C. 3652(b). *Id.*

Service performance. The FY 2024 ACR contains the Postal Service's discussion of service performance in FY 2024. *Id.* at 42-54. Library Reference USPS-FY24-29 contains public service performance information required under 39 CFR part 3055 or in response to past ACD directives. *Id.* at 42 n.52. Non-

public service information related to the service performance of international mail products appears in Library Reference USPS-FY24-NP30. The FY 2024 ACR also discusses customer satisfaction and consumer access to postal services, with supporting materials appearing in public Library References USPS-FY24-38 and USPS-FY24-33, respectively. *Id.* at 54-92.

Competitive products. The FY 2024 ACR provides costs, revenues, and volumes for Competitive products of general applicability in the FY 2024 CRA or ICRA. *Id.* at 29. For Competitive products not of general applicability, data appear in non-public Library References USPS-FY24-NP2 and USPS-FY24-NP27. *Id.* The FY 2024 ACR also addresses the Competitive product pricing standards of 39 U.S.C. 3633. *Id.*

Market test. The Postal Service describes the market test active during FY 2024. *Id.* at 38-39.

Nonpostal services and inter-agency agreements. The Postal Service discusses the nonpostal services and inter-agency agreements offered during FY 2024. *Id.* at 39-41. Library Reference USPS-FY24-20 contains supporting public material, and Library Reference USPS-FY24-NP32 contains supporting non-public material.

III. Procedural Steps

Statutory requirements. Section 3653 of title 39 requires the Commission to provide interested persons with an opportunity to comment on the ACR and to appoint an officer of the Commission (Public Representative) to represent the interests of the general public. The Commission solicits public comment on the Postal Service's FY 2024 ACR and on whether any rates or fees in effect during FY 2024 (for products individually or collectively) were not in compliance with applicable provisions of chapter 36 of title 39 or Commission regulations

promulgated thereunder. The Commission also invites public comment on the cost coverage matters the Postal Service addresses in its filing; service performance results, levels of customer satisfaction achieved, and such other matters that may be relevant to the Commission's review.

Access to filing. The Commission has posted the publicly available portions of the FY 2024 ACR on its website at <https://www.prc.gov/>. Interested persons may request access to non-public materials pursuant to 39 CFR 3011.301.

Comment deadlines. Comments by interested persons are due on or before January 28, 2025. Reply comments are due on or before February 11, 2025. The Commission, upon completion of its review of the FY 2024 ACR, comments, and other data and information submitted in this proceeding, will issue its ACD.

Public Representative. Kenneth R. Moeller is designated to serve as the Public Representative to represent the interests of the general public in this proceeding. Neither the Public Representative nor any additional persons assigned to assist him shall participate in or advise as to any Commission decision in this proceeding other than in his or her designated capacity.

IV. Ordering Paragraphs

It is ordered:

1. The Commission establishes Docket No. ACR2024 to consider matters raised by the United States Postal Service's FY 2024 *Annual Compliance Report*.
2. Pursuant to 39 U.S.C. 3653(a), the Commission appoints Kenneth R. Moeller as an officer of the Commission (Public Representative) in this proceeding to represent the interests of the general public.

3. Comments on the United States Postal Service's FY 2024 *Annual Compliance Report* to the Commission are due on or before January 28, 2025.
4. Reply comments are due on or before February 11, 2025.
5. The Secretary shall arrange for publication of this Order in the **Federal Register**.

By the Commission.

Erica A. Barker,

Secretary.

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