

service standards for seven percent of Periodicals volume in exchange for a firm USPS commitment to meet the full range of Periodicals service standards 95 percent of the time.

This would be an acceptable tradeoff for our members *if* certain assumptions are correct: (1) that the reduced service standards will result in Periodicals being delivered on-time at least 95 percent of the time; and (2) that the proposal will generate efficiencies from combining end-to-end Periodicals with First-Class Mail that will offset in whole or in part the relaxed service standard. We are encouraged that the Postal Service has committed to generate these efficiencies. See Docket No. N2021-1, Transcript of Proceedings (June 9, 2021) at 427 (Witness Cintron: “So, naturally, as we look at the periodical end to end, there’s a significant opportunity from what we see that we could merge those networks to ride on the same transportation and still achieve their service datewe’ll see where some of the utilization will drive up, which should result in less trips, less miles ... we would continue to optimize the network.”).

The Postal Service’s proposal, however, would be highly problematic if the relaxed service standards are not accompanied by the promised improvements in on-time performance or network optimization. The Commission must therefore hold the Postal Service accountable for meeting or exceeding the 95 percent on-time performance target for Periodicals and enhancing transportation efficiencies.

Some Commissioners have noted the PRC’s advisory role in these proceedings, explaining that “[t]he law does not give this Commission a veto over operational and service decisions of the Postal Service.” Docket No. N2021-1, Transcript of Proceedings (June 9, 2021) at 6, 13. But the Commission is not simply a bystander here. We agree with Vice Chairwoman Poling that the core mission of the Commission is to “ensure

transparency *and accountability* of the United States Postal Service,” *id.* at 9 (emphasis added), and with Commissioner Taub that the Commission has “an important job to do about transparency *and accountability* to the Postal Service.” *Id.* at 11 (emphasis added). The law provides the Commission with an important oversight function to determine whether service standards during the previous year had been met, 39 U.S.C. §§ 3653(b)(2); (c), enforcement authority in response to justified complaints, *id.* at § 3662, and a mandate to consider service standards as part of the market-dominant ratemaking system. *Id.* at 3622(b)(3). Thus, we urge the Commission to hold the Postal Service accountable for meeting its new service standards, including a reduction in CPI cap pricing authority for performance shortfalls.

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Respectfully submitted,

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