

Before the
Postal Regulatory Commission
Washington, D.C. 20268-0001
Submitted to: stakeholderinput@prc.gov

Requested Commentary -- First-Class Mail Service Standards
U.S. House of Representatives
Joint Explanatory Statement, Consolidated Appropriations Act, 2022
Report 117-79 at 100 (July 1, 2021)

Statement of Position of the Lexington Institute
(February 24, 2023)

The Lexington Institute is pleased to offer the following analysis and suggestions in conjunction with the Postal Regulatory Commission's February 8, 2023 [press release](#) seeking input on first-class mail standards for a report you are providing to Congress.

Some of this information was also part of our June 11, 2021 [statement of position](#) on Docket No. N2021-1, wherein the Postal Regulatory Commission (PRC) considered the U.S. Postal Service's (USPS's) proposal to lengthen targeted delivery times, thereby degrading service standards, on approximately 39 percent of first-class mail.

We urge the PRC to provide Congress with information beyond what is obtained from the press release request. Congress should also receive key relevant parts of your work done on Docket No. N2021-1 and related insights from any consulting firm studies pertaining to the 2021 delivery standards.

Prompt, timely mail service has always been important to the American people. And the American people strongly desire such service today, as reflected in the more than 100,000 comments the PRC received pertaining to Docket No. N2021-

1. Furthermore, Members of Congress frequently hear about the need for prompt mail service and the major disruptions stemming from slow mail service.

The central question that must be addressed is not what the mail delivery standards should be. USPS has never met the revised standards beginning in 2014 and faces little consequence, other than public criticism, for not doing so. As such, the standards matter little.

The central question to address is: What would be the cost for USPS to return to its July 1, 2012 delivery performance? At that time, USPS had a one-day standard for delivery of much of its first-class mail, a standard which was soon-after scuttled.

In the 1970s, nearly half of America's mail was delivered the next day.

In 1974, the [Comptroller General reported](#) to Congress that USPS was sorting half of its mail manually. However, the standard for one-day overnight delivery of mail was met 90 percent of the time. This was for delivery within sectional centers and adjoining sectional sectors. Two-day delivery was for other mail within a 600-mile radius and three-day delivery for all other first-class mail.

Over the past 50 years in America, nearly everything has become faster-paced. Except for mail delivery.

It may be that returning to the 2012 delivery times would be onerously expensive and not in the national interest. But we do not know that, because reliable financial data has not been provided, at least in the public domain.

There is no evidence to suggest that in 2021 USPS had assessed the costs to meet the 2012 standards. Furthermore, the savings from the degraded standards (i.e., longer delivery times) were minimal.

As stated several times in the PRC's July 20, 2021 [Advisory Opinion](#), USPS estimated these savings at \$169.5 million annually, which is less than 0.25 percent, or 1/400th, of its annual costs.

Respectfully, the PRC should urge Congress to require that USPS study and document the cost to meet the 2012 mail standards. Congress should also require USPS to state expected average mail delivery times for each of the next eight years, as USPS's Delivering for America plan continues to be implemented.

If USPS cannot make a significant return to faster mail delivery times or state a clear plan to do so in the next six months, Congress should consider eliminating USPS's monopoly on the mailbox. This would provide USPS's customers with more choice, while putting competitive pressure on USPS to innovate and operate more efficiently.

The first step in this process would be an evaluation from the Congressional Research Service about the pros and cons of doing so.

Prompt on-time mail service has always been important to the American people and it remains essential, especially for those in rural areas, senior citizens, the poor, and the disabled. While more prompt delivery standards are nice, what really matters is making sure mail is delivered sooner, and that USPS provides a blueprint to get there quickly.

Thank you for your consideration.

Respectfully,

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