

July 26, 2023

The Enigma of Measuring Postal Service Delivery Time Performance

By Paul Steidler

In recent years, there has been immense public frustration with the U.S. Postal Service (USPS), mail delivery times, and overall service performance. Much of this is within USPS's control, though some is not.

The drivers for the public's frustration include:

- *Slower delivery standards.* In <u>October 2021</u>, for the second time in less than a decade, USPS slowed target mail delivery times, giving itself an extra day to deliver 40 percent of first-class mail.
- *COVID Christmas-season disruption*. From November 2020 through January 2021, at the height of a COVID surge and as USPS was inundated with e-commerce (package) demands, mail service experienced historic nationwide delays.
- **Regional service crises.** There have been at least eight protracted regional mail delivery crisis situations, typically for weeks at a time, which have occurred over the past year and led to strong, high-profile calls from elected officials for action.
- *Rise in postal crime*. There has been a dramatic rise in mail theft and <u>postal</u> crimes, resulting in the theft of checks and personal information that can be used by identity thieves.
- *Rising costs.* With the price of a first-class stamp up 10 percent since the start of 2023, and postage costs in general now rising above the Consumer Price Index, there is growing frustration that higher costs do not result in quicker or better delivery.

1600 Wilson Boulevard, Suite 203 • Arlington, VA 22209 • Phone: 703.522.5828 • Fax: 703.522.5837 http://www.lexingtoninstitute.org • email: mail@lexingtoninstitute.org

The U.S. Postal Service's Assessment

To its credit, USPS is issuing regular weekly updates on its service performance with clear statements about how long mail and package delivery is taking. In general, these tend to be glowing assessments.

For example, in its recent <u>July 21 news release</u>, USPS says it "reported new delivery performance metrics for the second week of the fourth quarter for fiscal year 2023 showing steady delivery performance across all mail categories." It also reports that "the average time for the Postal Service to deliver a mailpiece or package across the nation was 2.5 days" with 98 percent of mail and packages delivered in less than three days.

USPS also announces its <u>quarterly service performance</u> in conjunction with reports of its quarterly financial performance. It is also required to file extensive reports with the Postal Regulatory Commission (PRC), which is independent of USPS and which oversees service performance.

The Measuring Metrics

Measuring USPS's service performance is a highly-complex, difficult-to-undertake endeavor.

For starters, USPS delivers more than <u>100 billion pieces</u> of mail annually. There are 27 categories of mail (known as market dominant products) with delivery times varying based on how far they are sent.

USPS is largely measuring its own performance, while sharing data and facing oversight and questioning from the PRC. So, while USPS is grading its own papers to a certain extent, it is being watched carefully as it does so. And it is important that the PRC probe and demand information about the nuance and discretion that USPS employs to measure the mail.

Approximately <u>70 percent</u> of first-class mail is measured, that is its delivery time is tracked. It is not expected that there will be measurement of 100 percent of the mail anytime soon as the additional costs would be quite expensive. Measured mail includes pre-sort business mail, which is delivered deeper into the postal network, and therefore has shorter delivery times, than individual mail pieces.

The PRC's Recent Assessment

Each year, as required by law, the PRC issues an Annual Compliance Determination, gauging how well USPS met its service standards.

In a March 29 press release about USPS's 2022 service performance, the PRC said:

"The Commission finds a significant number of Market Dominant (mail) products failed to meet their service performance targets for FY 2022 and directs the Postal Service to take corrective action. Of 27 Market Dominant products/categories measured, 13 (48 percent) did not meet their targets, and some were substantially below the applicable target."

The following illustration from page 105 of the PRC's <u>Fiscal Year 2022 Annual</u> <u>Compliance Determination</u> summarizes how USPS's products performed.



The report also noted strong concerns from mailing associations related to how the service performance figures are determined.

The Association for Postal Commerce said: "business rules that exclude mail pieces that have been in the network for an inordinate amount of time, pieces excluded from measurement would likely exhibit service performance that is inferior to the Postal Service's published results." The National Association of Presort Mailers (NAPM) is concerned about mail not being measured or tracked. NAPM said in a filing to the PRC it "continue[s] to urge the Postal Service to implement a reporting solution that allows commingle mailers and others to obtain visibility at a level that helps them identify the specific mail being excluded."

Furthermore, large businesses were USPS's most satisfied customers in 2022. For example, on first-class domestic mail products, 85.1 percent of large business customers were satisfied compared with 77.9 percent of small/medium business customers and 77.1 percent of residential customers. For additional information, see Table V-14 on page 194 of the Fiscal Year 2022 <u>Annual Compliance Determination</u>.

Looking Ahead

It is always important to measure service performance. That is especially the case now and going forward as USPS continues to implement aggressive wholesale changes to its operations and delivery network. It will also be important for USPS to continue to find ways to mitigate a series of regional service disruptions that have had extensive impact. These are summarized and discussed in the Appendix that follows.

<u>About the Author:</u> Paul Steidler is a Senior Fellow with the <u>Lexington Institute</u>, a public policy think tank based in Arlington, Virginia. Ethan Shapiro provided research and related assistance. He is Program Manager with the Lexington Institute.

Appendix: Recent Major U.S. Postal Service Delays

State/Area	Summary	Notable Comments	Elected Officials Demand Action	Sample News Coverage
Vermont	Vermonters have experienced weeks of delays and staffing shortages at post offices throughout the state.	"Across our state, Vermonters have reported First Class mail delays that have lasted for multiple weeks, with businesses and individuals receiving deliveries that include bills whose due dates have passed by the time they are received. We understand that, in Hinesburg alone there is a backlog of more than 1,000 packages" (see letter in next column)	On February 16, Senators Sanders and Welch and Congresswoman Balint sent a <u>letter</u> to Postmaster General DeJoy.	Mail delivery issues has consequences for some Williston residents, Burlington Free Press (March 15, 2023) Local residents experience mail delays while the USPS struggles to fill positions, NBC-WPTZ, Burlington, Vermont (January 19, 2023)
Colorado	In Colorado, people in rural areas have been forced to wait in lines	"For over two years, our offices have received a sharp rise in complaints from	On February 23, Senators Michael Bennet and John Hickenlooper wrote a <u>letter</u> to	Rural America Grows Weary of Waiting For

State/Area	Summary	Notable Comments	Elected Officials Demand Action	Sample News Coverage
	for hours in order to receive their packages. Seven Western Colorado cities have united and hired counsel to evaluate their legal options under the Postal Accountability and Enhancement Act of 2006, which requires the U.S. Postal Service to provide timely service across the nation.	Coloradans about longer delays in mail delivery and gaps in other USPS services. These communities report that Post Offices in Colorado have had limited hours; hour- long lines to pick up mail and packages; and poor facility maintenance."(see letter in next column)	Postmaster General DeJoy requesting "urgent attention" to fix USPS service and delivery issues in Colorado.	its Mail, The Wall Street Journal (March 18, 2023) <u>USPS woes are reaching 'crisis</u> level' in several <u>Colorado</u> <u>communities.</u> <u>Can the state's</u> <u>Congress</u> <u>members help?</u> , Colorado Public Radio News (February 7, 2023)
Kansas City	In Kansas City, poor management practices and inadequate worker retention has caused backlogs and delays for months.	"In our October 11, 2022, letter, we shared discouraging reports from the Kansas City, Missouri region. Our constituents were receiving their mail far fewer than six days per week, if at all. We continue to receive these reports on a regular basis, and as far as we know,	On March 21, Congressmen Cleaver and Graves sent a <u>letter</u> to Postmaster General DeJoy addressing the continuation of unreliable mail service.	Postal service audit exposes Kansas City mail problems, Fox4KC Kansas City, Missouri (May 25, 2023) Despite lawmakers push, KC

State/Area	Summary	Notable Comments	Elected Officials Demand Action	Sample News Coverage
		there has been no action taken to ensure that the USPS carries out their mandate to reliably deliver the mail six days per week."(see letter in next column)		residents still fighting unresolved USPS problems, Fox4KC Kansas City, Missouri (February 24, 2023)
Virginia	Many Virginia residents are receiving their bills days after payment deadlines have elapsed. Widespread delays have been reported throughout the state	"The situations are not specific to particular regions of Virginia. I am concerned that Virginia communities as far-flung as Smyth County in Southwest Virginia, the Richmond area (nearly 300 miles away from Chilhowie by highway), and Arlington, across the river from Washington, D.C., are all experiencing missing bills, medications, tax documents, and days/weeks without mail"(see letter in next column)	On May 23, Senator Tim Kaine wrote a <u>letter</u> to USPS regarding the deterioration of mail service in Virginia.	'Where's my mail?': Richmond and Henrico residents frustrated by USPS delays, NBC-12 WWBT Richmond, Virginia (March 30, 2023) Kaine asks USPS about ongoing mail delivery issues, CBS-19 Charlottesville,

State/Area	Summary	Notable Comments	Elected Officials Demand Action	Sample News Coverage
				Virginia (May 26, 2023)
Minnesota	Minnesotans have had mail delivery delays for as long as two weeks.	"Residents have reported that they have not received mail deliveries for as long as two weeks, and when deliveries do arrive they are often incomplete. These delays do not just mean residents have gone without holiday gifts, but that they are not receiving federal checks, business mail, medications, and paychecks that they rely on for their health and livelihoods."(see letter in next column)	On December 29, Senator Amy Klobuchar wrote a <u>letter</u> to Postmaster General DeJoy to follow up on an August report of mail service issues affecting her constituents.	Senator Klobuchar pushes USPS for solutions to Northland postal delays, Northern News Now (December 31, 2022) Publishers concerned as slow U.S. mail delays delivery of local newspapers, Minnesota Public Radio (January 13, 2023)
Washington	In Washington State, workforce shortages have delayed mail	"We remain concerned with the hiring challenges USPS is experiencing in our region.	In a January 11 <u>letter</u> , Congressmen DelBene and Larsen wrote to USPS	Residents fed up as mail delivery issues

State/Area	Summary	Notable Comments	Elected Officials Demand Action	Sample News Coverage
	service as USPS struggles to hire an adequate number of employees.	In our July letter, we requested updates on USPS's efforts to increase staffing amid severe workforce shortages. Though we appreciate the steps you outlined to us and subsequent actions USPS has taken to increase hiring in Northwest Washington, including local hiring days and a statewide hiring fair in December, these efforts are clearly insufficient as delays in mail delivery continue."(see letter in next column)	Postmaster General DeJoy to follow up on a growing list of complaints from their constituencies.	continue on Vashon island, CBS KIRO-TV, Seattle, Washington (January 7, 2023) Whatcom County plagued by mail delays, Cascadia Daily News (January 2, 2023)
Montana	Various communities throughout Montana have experienced limited mail service and long delays for months.	"I am hearing directly from members of the Bozeman community that are experiencing significant gaps and delays in mail serviceWhile it appears hiring additional staff is likely the best long-term solution to current mail service issues, I urge you to	In late 2022, Senator Jon Tester sent a <u>letter</u> to the USPS regarding significant gaps in mail delivery.	Hailey leaders seek answers from Postal Service leadership, The Idaho Mountain Express (March 3, 2023) Billings residents

State/Area	Summary	Notable Comments	Elected Officials Demand Action	Sample News Coverage
		consider options that would provide more immediate relief to the community." (see letter in next column)		concerned over mail delays, KTVQ-Billings (January 19, 2023)
Maine	Postal delays in Maine have created problems for small business owners as well as those who depend on the mail for medications and payments.	"According to many [Mainers], problems have continued throughout the yearIf operations improve in one area, I soon hear about deteriorations in another. It is particularly frustrating that the general public, USPS business partners, and even congressional offices are left with little information or notice about these service changes."(see letter in next column)	In an October 18 <u>letter</u> to Postmaster General DeJoy, Senator Susan Collins voiced her concerns as to whether or not the USPS was doing enough to reform its institutions and processes.	Portland mail carriers say imbalanced hiring has worsened post office delays, The Portland Phoenix (March 8, 2023) 'This has been going on for months:' Mail delivery delays cause headaches for Mainers, CBS-13 WGME-TV Portland, Maine (January 30, 2023)