



USPS Changes Postal Service Standards

October 14, 2021

Under new regulations that went into effect on October 1, 2021, the U.S. Postal Service (USPS) adjusted its service standards on select market-dominant products, specifically First-Class Mail and Periodicals. Service standards reflect USPS's estimate of the amount of time it will take to deliver a piece of mail. The new standards increase the target in-transit time for delivery by 1-2 days. While some market-dominant mail will be unaffected, USPS expects that approximately 40% of First-Class Mail (particularly that which travels longer distances) will be subject to an adjusted standard that is 1-2 days greater than the previous standard. Most local First-Class Mail (i.e., mail traveling three hours or less) will keep its 2-day standard.

USPS Service Standards

Postal service delivery standards are "the stated delivery performance goal[s] for a mail class or product. Taking into account network logistics and feasibility, a service standard reflects the number of days after acceptance of mail by which the sender and recipient can expect it to be delivered." USPS also applies business rules based on the distance a mail piece must travel.

As shown in Appendix A to Title 39, Section 121, of the *Code of Federal Regulations* and **Table 1**, the end-to-end range for First-Class Mail within the contiguous United States through September 30, 2021, was 1-3 days, for Periodicals it was 3-9 days, and for Marketing Mail (formerly Standard Mail) it was 3-10 days.

Process to Change Postal Service Standards

To make changes to its service standards, USPS is required to file notice with the Postal Regulatory Commission (PRC) seeking an advisory opinion "within a reasonable time prior to the effective date of such proposal" (39 U.S.C. §3661). On April 21, 2021, USPS filed a request for an advisory opinion from the PRC due to its planned changes to service standards (PRC Docket N-2021-1). On July 20, 2021, the PRC issued its advisory opinion, which makes the following recommendations to USPS:

- Communicate realistic performance targets,
- Monitor implementation to balance savings and service,
- Monitor implementation to drive transportation efficiency,
- Gauge customer satisfaction specifically for its proposed changes,

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- Allow transparency into ongoing feedback and consider changes due to that feedback, and
- Limit the use of econometric demand analyses for purposes for which it does not provide meaningful results.

The USPS is not required to follow the PRC's recommendations. On August 11, 2021, USPS published its final rule, "Revised Service Standards for Market Dominant Mail Products," in the *Federal Register* with an effective date of October 1, 2021. In its final rule, USPS stated that it "does not concur with many portions of the PRC's advisory opinion" but that it "largely agrees with the PRC's recommendations, and will be following most of them as these new service standards are implemented."

New Service Standards as of October 1, 2021

As shown in **Table 1**, as of October 1, 2021, the end-to-end range for First-Class Mail within the contiguous United States is 1-5 days, while the end-to-end range for Periodicals is 3-9 days and, for Marketing Mail, 3-10 days. Within the end-to-end ranges, USPS adjusted its distance-based business rules for First-Class Mail and Periodicals, increasing the number of days for mail with delivery drive times exceeding 20 hours. USPS also increased the end-to-end ranges 1-2 days for First-Class Mail and Periodicals traveling within and to/from noncontiguous states and territories, such as Puerto Rico and Guam. Standards for Marketing Mail and Package Services were unchanged.

Table I. USPS Service Standards

Mail Traveling within Contiguous States and DC

Mail Class	End-to-End Range (days)		
	Service Standards (through September 30, 2021)	Revised Standards (effective October I, 2021)	
First-Class Mail	1-3	1-5	
Periodicals	3-9	3-9	
Marketing Mail	3-10	3-10	
Package Services	2-8	2-8	

Source: 39 C.F.R. §121, Appendix A; USPS, "Revised Service Standards for Market Dominant Mail Products," 86 Federal Register 43941.

Notes: USPS's service standards map is available at https://postalpro.usps.com/ppro-tools/service-standards-maps.

In a news release on the proposed changes, USPS stated that the 1-2 day increases in service standards will enable them to rely more on ground transit (as opposed to air transit) for long-distance deliveries, which is a primary component of USPS's Delivering for America 10-Year Plan. USPS argued that the changes will "help the organization achieve its goal of consistently meeting 95 percent service performance."

USPS Service Performance

Postal service standards are not a "delivery by" guarantee. Instead, USPS sets annual percentage targets for performance for each class of mail. USPS's adherence to its service standards is measured against those performance targets. USPS's service performance for FY2020 is provided in the PRC Annual Compliance Determination Report. The PRC also publishes service performance data in Quarterly Service Performance Reports. **Table 2** provides a summary of select USPS FY2021 third-quarter (Q3) service performance data.

Table 2. Select USPS Service Performance Data

FY2021 Q3

Mail Class	FY2021 Performance Target	FY2021 Q3 Percent on Time (National)
Single-Piece First Class (2-day)	87.81%	90.8
Single-Piece First Class (3-5-day)	68.64%	73.8
Presort First Class (overnight)	93.99%	95.2
Presort First Class (2-day)	89.20%	92.2
Marketing Mail	86.62%	73.7
Marketing Mail Destination Entry (mailpieces entered at distribution center or other processing facility)	86.62%	93.3
Package Services	90.00%	86.3
Periodicals	86.62%	79.0
Single-Piece First Class International (Inbound/Outbound)	82.43%	74.4

Source: PRC, FY2021 Q3 Quarterly Service Performance Reports.

Current Legislative Efforts

USPS revised its service standards for market-dominant mail products in 2012 as part of its broader Network Rationalization initiative, and multiple bills have been introduced since instructing USPS to roll back standards to those that were in place before the revision. For example, in the 117th Congress, H.Res. 119 expresses the sense of the House that USPS should "take all appropriate measures to restore service standards [to those] in effect as of July 1, 2012." Additionally, S. 1678 and H.R. 2230, the Delivering Envelopes Judiciously On-time Year-round Act (or "DEJOY Act") would require USPS to adopt service standards for First-Class Mail that were in effect on January 1, 2021.

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