

Title 17. Among other things, the rule clarified and adjusted certain information required to be reported on the biannual SOAs, which relate to the calculation of royalties required to be paid to the Office for subsequent distribution to copyright owners. The rule anticipated the creation of a new SOA form by the Office, which is in progress, as well as new instructions for completion of the SOA to reflect changes in the rule. The Office has determined that the new form will not be available prior to the upcoming filing deadline of March 1, 2025 and that the instructions that would permit use of the existing forms consistent with the rule are not yet available. Accordingly, the Office is adjusting its compliance requirement regarding the final rule's reporting obligations¹ to apply to the SOA due on August 29, 2025, which covers the January 1 through June 30, 2025, accounting period.

Shira Perlmutter,

Register of Copyrights and Director of the U.S. Copyright Office.

Approved by:

Carla D. Hayden,

Librarian of Congress.

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POSTAL SERVICE

39 CFR Part 121

Service Standards for Market-Dominant Mail Products

AGENCY: Postal Service™.

ACTION: Final rule.

SUMMARY: The United States Postal Service is revising the service standards for certain market-dominant services, specifically First-Class Mail®, Periodicals, USPS Marketing Mail, and Package Services. The new service standards, which will be implemented in two phases, align with operational initiatives that the Postal Service plans to implement on a nationwide basis to fundamentally transform its processing and transportation networks to achieve greater operational precision and efficiency, significantly reduce costs, and enhance service pursuant to the *Delivering for America* strategic plan. The changes will maintain service at existing levels for most volume, will upgrade standards for more market-dominant volume than is downgraded, and will improve service reliability.

DATES: Effective April 1, 2025, except for instruction 4 (revising part 121), which is effective July 1, 2025.

FOR FURTHER INFORMATION CONTACT: Martha Johnson, Senior Public Relations Representative, at martha.s.johnson@usps.gov or (202) 268–2000.

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I. Introduction

By adopting this final rule, the Postal Service is amending 39 CFR part 121 to revise the current service standards for certain market-dominant products. The Postal Service is restructuring the service standards for domestic First-Class Mail, such that the service standards will retain the current day range of 1–5 days (as well as the current 0–1 days for USPS Connect® Local), while being calculated, with certain exceptions, as the sum of delivery days accruing across three successive operational legs reflecting end-to-end service from an originating 5-digit ZIP Code to a destinating 5-digit ZIP Code. The rule also partially adjusts the service standards for end-to-end Periodicals, USPS Marketing Mail, and Package Services so that they will be primarily based on the standards for First-Class Mail, consistent with the Postal Service's implementation of a more integrated network, thus continuing efforts to eliminate the Postal Service's legacy network that, due to its poor design, has multiple, redundant network flows.

These revisions achieve the objectives set forth in 39 U.S.C. 3691(b), taking into account the factors of 39 U.S.C. 3691(c). Overall, they further the Postal Service's obligations under 39 U.S.C. 101 and other provisions of Title 39 of the U.S. Code to provide universal postal services in a prompt, reliable, and efficient manner. The Postal Service is required by law to provide universal postal services in a financially self-sufficient manner, through an integrated network for the delivery of mail and packages at least six days a week. Currently, the Postal Service is not financially self-sufficient and lacks a network that is conducive to the logical,

efficient, cost-effective, and reliable movement of mail and packages in an integrated manner from origin to destination in the modern postal environment, taking into account the current and projected volume, revenue, costs, and product mix. The Postal Service network has not been appropriately adjusted to account for volume, revenue, costs, and mail mix changes, including the substantial decline in Single-Piece First-Class Mail volume and increase in package volume, leading to significant inefficiencies.

The new service standards align with operational initiatives that the Postal Service plans to implement on a nationwide basis to fundamentally transform its processing and transportation networks to achieve greater operational precision and efficiency, significantly reduce costs, and enhance service pursuant to the Postal Service's *Delivering for America* strategic plan (DFA Plan). These initiatives will comprehensively transform the Postal Service's operations to address problems that exist today and create a network that enables the integrated movement of mail and packages in a precise and cost-effective manner consistent with best business practice far into the future. They should also lead to substantial cost savings (conservatively estimated at between \$3.6 to \$3.7 billion annually), which is critical given the Postal Service's current poor financial condition, which can be addressed only through comprehensive changes to reduce costs and increase efficiency (in conjunction with the other elements of the DFA Plan).

To illustrate, the current service standards require the Postal Service to conduct separate trips to drop off destinating volume from the processing network to collection/delivery facilities in the morning for delivery that day, and then pick-up originating volume from the collection/delivery facilities to the processing network in the afternoon, or alternatively pay Highway Contract Route contractors to layover for multiple hours between the outbound and return legs of their routes. Many of these trips transport low amounts of volume to and from collection/delivery facilities that are far from the Postal Service's processing facilities. The Postal Service's Regional Transportation Optimization (RTO) initiative will eliminate some of the costs and inefficiencies associated with these excess trips by allowing certain mail and packages to be picked up the next day from the Post Office on the same trip that also dropped off mail at that Post Office for delivery that day. The

¹ See 89 FR at 100350–56.

Postal Service will designate 5-digit ZIP Codes for RTO when a retail/collection facility servicing that 5-digit ZIP Code is more than 50 miles from the originating Regional Processing and Distribution Center or Campus (RPDC), though exceptions may apply based on operational or business considerations. Under the new service standards, which are needed to implement RTO, most mail and packages would either receive the same service standard or an accelerated standard so that it is delivered faster than today, while some mail and packages would have a service expectation that is one day longer than the current expectation but still within the current day-ranges. Further details of the changes appear below.

By implementing the new standards and the operational initiatives to which they are aligned, the Postal Service will be better able to achieve the goals of the DFA Plan to create a high-performing, financially sustainable organization, which is necessary for the Postal Service to achieve the statutory policies and objectives adopted by Congress.

The Postal Service will implement the final rule in two phases, with phase 1 going into effect on April 1, 2025, and phase 2 going into effect on July 1, 2025. As described further below, during phase 1, the Postal Service will enable the implementation of RTO by adding one service expectation day to certain volume in Leg 1 (*i.e.*, from collection to originating processing facility) for items originating in ZIP Codes covered by RTO. On July 1, during phase 2, the Postal Service will implement the proposed rule in its entirety and will therefore among other changes accelerate the movement of mail in Leg 2 (*i.e.*, from originating processing facility to destinating processing facility) by expanding the drive times for each of the travel bands that establish the delivery expectation days for First-Class Mail by four hours. Phase 2 is dependent upon certain efficiencies gained as a result of RTO and requires significant changes across the Postal Service's processing, logistics, and delivery networks. By delaying the service standard changes related to Leg 2 for a brief period of 90 days, the Postal Service will be able to facilitate effective operational execution and change management by gradually implementing these changes, reducing the immediate impact on front-line employees and decreasing the level of change that is implemented at one time. In addition, during the 90-day period between phase 1 and phase 2, the Postal Service will gather data on real-world operational conditions and constraints arising from RTO and use this data to adjust

operational planning regarding Leg 2 operations to the extent warranted, and therefore help ensure that the Postal Service is well positioned to implement the Leg 2 service standard changes. To be clear, the phased approach is to facilitate more effective implementation of the changes. The rule, as originally proposed and as repeated below, will be implemented in full on July 1.

On October 4, 2024, the Postal Service requested from the Postal Regulatory Commission (PRC or Commission) an advisory opinion on the service standard changes, including those described herein, for market-dominant and competitive products, together with a comprehensive strategy of network modernization, in accordance with 39 U.S.C. 3661(b). The PRC then initiated Docket No. N2024–1, in which the PRC's Presiding Officer, its appointed Public Representative, and a number of intervenors actively participated, including issuing extensive discovery requests. The PRC also conducted a formal hearing with testimony on the record. The Postal Service's proffered evidence demonstrates significant benefits to implementing these operational initiatives and corresponding service standards consistent with the policies enumerated in Title 39 of the United States Code: the same or accelerated standards for a majority of market-dominant volume within the current day ranges; user-friendly service standards formulated at the 5-digit Zip Code level; significant cost savings from productivity enhancements, consolidated local transportation trips, streamlined transportation between facilities within the redesigned network, an air network reoriented around RPDCs, lease terminations, and facility closures, all of which are critically important to achieving long-term financial sustainability; and ultimately, more reliable, predictable, sustainable, and consistent service. The proceeding culminated in an advisory opinion issued by the PRC on January 31, 2024.

The PRC's advisory opinion acknowledges the necessity of change, agreeing that the Postal Service must improve its financial standing, modernize its operations, and ensure the continuing provision of universal service. Of the specific changes proposed by the Postal Service, and whether they are consistent with the policies of the Title 39 of the United States Code, the PRC declines to make a definitive statement. Yet the PRC is highly critical of the Postal Service's plans, faulting the Postal Service's network modeling and operational preparedness to implement the changes,

minimizing the projected cost savings as being “meager” and hence not material to achieving financial sustainability, and voicing concern over impacts to rural customers, among other criticisms. The PRC therefore suggests that the Postal Service reconsider whether to implement this proposal. In lieu of a fair and comprehensive assessment, however, the PRC's advisory opinion presents a one-sided narrative that mischaracterizes the Postal Service's proposal, ignores the benefits it can be reasonably expected to yield, baselessly magnifies its alleged downsides, downplays the necessity of financial self-help, and makes unrealistic demands that would, if heeded, impede urgently needed progress.

The Postal Service has responded in depth to the PRC's opinion and recommendations at <https://about.usps.com/newsroom/national-releases/2025/0220-usps-responds-to-prc-advisory-opinion-on-service-standard-changes.htm>. There, the Postal Service disputes the PRC's overall assessment of the proposed changes and rebuts the faulty reasoning, factual misapprehensions and tendentious arguments informing that assessment. The Postal Service also provides a response to each of the PRC's recommendations. This Notice cannot replicate, and is not intended to replace, that more substantive response. It is, however, appropriate to address at a high level of generality three topics emphasized by the PRC: the Postal Service's cost savings projections, the Postal Service's network modelling efforts, and the impacts of the Postal Service's plans on rural communities.

The Postal Service conservatively estimates yearly savings of approximately \$4 billion. As noted, the PRC dismisses this sum as a “meager” reduction in overall expenses. Such criticisms betray a thorough-going lack of concern for the Postal Service's financial viability under the current business model. No entity in the private or public sector would disregard (much less forego) annual cost savings totaling in the billions. To avert service deterioration and insolvency, the Postal Service must become financially self-sustaining; to become financially self-sustaining, it must reduce costs within the constraints of its service mission—and this proposal will reduce costs by addressing clear deficiencies in the Postal Service's current network while also ensuring that all customers continue to receive prompt and reliable service.

Despite the urgent need for meaningful change, the PRC would perpetuate the status quo by

recommending that before self-help initiatives are implemented, the Postal Service embark on a dilatory, burdensome, seemingly open-ended chain of ex ante “modelling” exercises that would add no discernible value. The Postal Service’s plans are, in fact, based on robust deliberation and analysis, and are supported by industry-standard models, software, and analytical protocols. They also acknowledge certain basic realities: the Postal Service runs a highly complex organization, works within a vast embedded infrastructure, and must serve the American public even as it transforms its processing and transportation networks. The Postal Service has accordingly proposed a framework for network modernization, based on well-designed operating strategies and principles, which will be implemented through a systematic, iterative, region-by-region implementation approach that enables the Postal Service to address what is necessary to most efficiently transport and process mail and packages within each region, while also ensuring that the network as a whole is structured in a standardized, effective, and integrated manner. Though the PRC criticizes the Postal Service for its alleged overreliance on “business judgment,” the need for pragmatic decision-making—informed by fact-gathering and operational expertise—will inevitably arise over the course of any complex endeavor, not excluding this one. As the Postal Service proceeds to implement its plans, responsiveness to on-the-ground feedback will be beneficial; rigid adherence to all-encompassing “models” that ignore complex and shifting realities will not.

The changes that are the subject of this rulemaking retain or accelerate service standards for most market-dominant volume—a fact that garners little recognition from the PRC. Instead, the PRC accuses the Postal Service of not sufficiently considering the revised standards’ impact on rural ZIP Codes. This is baseless: the Postal Service considered rural impacts in depth when designing this proposal and has thoroughly explained why it believes the balance that has been struck regarding the statutory policies is appropriate, given the operational benefits and overall impact on service. In this regard, the Postal Service considered the fact that (1) the changes would add one day within the existing service standard day ranges to the First-Class Mail service standards for mail originating in areas far from the processing network (with some very

minor exceptions), which encompasses both rural and non-rural areas; (2) the current day ranges for First-Class Mail would stay the same, and be shortened for other end-to-end mail products, (3) the changes would benefit the speed of service within Leg 2 overall (and hence would improve the delivery of mail to rural communities), and (4) the changes would improve service reliability overall. The PRC sidesteps the steep and irreversible declines in Single Piece First-Class Mail use—declines to which the proposed RTO initiative and accompanying “Leg 1” service standard changes respond. Nor does the PRC acknowledge a key fact about First-Class Mail as a whole (*i.e.*, including Presort First-Class Mail): namely, that customers receive on average far more mail than they send. In this regard, the revised standards provide inbound network benefits, with the same or upgraded service over an expanded area, for the critical goods and services that most customers, including rural customers, receive. The PRC also fails to recognize that local turnaround service from RPDCs and some LPCs will provide 2–3-day service standards for mail destined within the same service area. Ultimately, the Postal Service gave serious consideration to rural impacts, and with the service standard changes described below, has appropriately balanced its competing obligations under Title 39 of the United States Code.

Despite the flaws in the PRC’s analysis, the Postal Service agrees with many of the PRC’s recommendations, many of which are already part of the planned implementation process or would otherwise occur in the course of business. Many of these recommendations concern building out the implementation plan and are generally consistent with the thorough planning, transparent customer communication, robust mitigation efforts, and swift execution adjustments that are at the core of the Postal Service’s implementation strategy. The Postal Service will balance planning with continuous evaluation of performance during implementation and will improve processes and make broader adjustments as appropriate. Based on reasonable business judgement and experience, the Postal Service believes this is the best, and fastest, way to ensure successful implementation not only of the service standard change, but of the plan generally.

The PRC also made several recommendations that were inextricably linked to its flawed analysis with which, as noted above, the Postal Service disagrees. To the extent that a

recommendation is based on the PRC’s flawed understanding of the Postal Service’s proposal or the false premise that the Postal Service lacked highly rigorous methods or models when developing its proposal, the Postal Service disagrees. Finally, the Postal Service has thoroughly considered its obligations under title 39, including 39 U.S.C. 101(a) and (e), and has appropriately balanced the various statutory considerations and requirements, and therefore the Postal Service does not agree with the PRC’s recommendation to reconsider those matters.

II. Comments

On November 15, 2024, the Postal Service published proposed revisions to market-dominant service standards in the **Federal Register** and sought public comment (Proposed Rule). Service Standards for Market-Dominant Mail Products, 89 FR 90241 (Nov. 15, 2024). The comment period for the Proposed Rule closed on December 31, 2024. Although exempt from the document and comment requirements of the Administrative Procedure Act (5 U.S.C. 553(b), (c)) regarding rulemaking by 39 U.S.C. 410(a), nonetheless the Postal Service requested comments on all aspects of the Proposed Rule. In particular, the Postal Service solicited comments on the effects that the Proposed Rule could have on senders and recipients of the affected market-dominant mail classes, as well as comments on the nature and extent of costs or savings they might experience as a result of the changes described in this document, and on any additional possible costs or benefits they foresaw, such as increased reliability and predictability. The Postal Service encouraged the provision of any empirical data supporting any cost-benefit analysis. The Postal Service further requested mail users’ views regarding the application of the policies and requirements of Title 39 of the U.S. Code, particularly sections 101, 403, 404, and 3691, to the Proposed Rule.

The Postal Service received approximately 17,500 comments in response to the Proposed Rule. The vast majority (nearly all) of the comments received were form letters, which raised concerns that the proposed changes would slow down the delivery of critical items, such as bills, checks, and medicines.

The Postal Service received only a few dozen comments that were not form letters, including a submission from a congressperson and a few comments from advocacy groups. Several such comments expressed concerns that the

changes would harm rural communities, vulnerable populations, and small businesses. Others objected to the use of cost-savings as a consideration when establishing service standards, and/or questioned whether the Postal Service's projected efficiencies and cost-savings are reliable. A number of residents of Wyoming and other states objected to the closure, perceived downgrading, and/or consolidation of processing facilities, as well as the processing of intrastate mail, including election mail, in other states.

Several comments included complaints and opinions regarding matters unrelated to the proposed market-dominant service standard changes. Such topics include, but are not limited to, the privatization of the Postal Service, the tenure of the Postmaster General, past price increases, electric vehicles, and new business opportunities. The Postal Service is not responding to comments that fall outside the scope of this rulemaking. Separately, a number of individuals raised concerns that the changes would delay the delivery of medicines, merchandise, and other goods that are typically sent using competitive package services, including Priority Mail® and USPS Ground Advantage®. The impact on competitive products was addressed in the advisory opinion case described above, but is not addressed in this rulemaking, which impacts market-dominant products only.

One comment submitted was a copy of a statement of position that had been filed in the PRC advisory opinion proceeding, re-submitted to the Postal Service as comments for this rulemaking. The Postal Service likewise incorporates by reference its Initial Brief and Reply Brief as filed publicly in the PRC proceeding. Initial Brief of the United States Postal Service, PRC Docket No. N2024–1 (December 18, 2024), <https://prc.arkcase.com/portal/filings/134330>; Reply Brief of the United States Postal Service, PRC Docket No. N2024–1 (December 26, 2021), <https://prc.arkcase.com/portal/filings/134602>.

The comments received and the Postal Service's responses thereto are addressed in greater detail below. With respect to individuals who doubted whether their comments would be read, the Postal Service indeed reviewed and considered each comment received.

III. Response to Comments

A. Service Impacts

Most of the commenters noted that they are opposed to the revised service standards because they assert that the changes would significantly slow down

the delivery of critical items, such as bills, checks, letters, medicines, election mail, business supplies, and other time-sensitive deliveries. Many of these individuals stated that their mail is already slower and less reliable, and they worried that the changes would further slow down delivery. A few individuals objected to the Proposed Rule based on a false understanding of the changes involved. For example, one person worried the changes would extend mail times “by 1 day for every 50 miles from the new mail processing center,” when in actuality the Proposed Rule adds one day at most to impacted mail (a very small amount of volume—approximately 1% of Single-Piece First Class Mail—would have two days added). As an additional example, one person thought Priority Mail would become a 7–9-day service. Neither the Proposed Rule nor the Postal Service's broader DFA Plan will convert Priority Mail to a 7–9-day service. Several commenters feared that slower delivery speeds could cause people to lose trust in the Postal Service and/or turn to private carriers instead.

In addition to general concerns about delivery speed, many comments noted that timely postal services are particularly important to rural communities, who may be unable to easily access public services due to their remote location. For example, one advocacy group objected to the plan because of the service standard impacts of the proposal on Single-Piece First-Class Mail volume in rural areas. Similarly, some commenters noted that elderly and disabled populations may be particularly harmed by service delays, as such communities tend to rely heavily on postal services due to accessibility constraints. A few small business owners indicated that they use the Postal Service to obtain critical supplies, parts, and information, and/or to deliver goods to their customers. One such individual noted that his business often mails orders at the end of the day and so the elimination of afternoon pickup, could cause his shipments to be delayed, making it harder to compete with businesses that can offer faster delivery.

Apart from concerns regarding the service standard changes, several people raised concerns regarding performance issues. Many people shared anecdotal stories of prior deliveries that were delayed, implying that the proposed changes will exacerbate performance failures. One customer, for example, claimed to have incurred overdue fees due to payments being delayed. Another individual questioned whether the Postal Service's decision to lower its

performance targets for FY25 means that the Postal Service “is anticipating worsening service in the coming year once it resumes the rollout of these changes.” This commenter further noted that certain locations where the Postal Service implemented its RPDC and Local Transportation Optimization (LTO) initiatives, including Richmond and Atlanta, experienced a decline in service performance, suggesting that similar declines could occur when the Postal Service rolls out further RPDCs and RTO.

In addition to focusing on the proposed rulemaking, a few individuals claimed that the elimination of Sundays and holidays as transit days for measurement for mail and packages that enter the Postal Service's network on a Saturday or the day before a holiday would further delay mail deliveries.

As an initial matter, these comments overstate the impact of the service standard changes on customers. In order to understand the impact, it is important to examine what is changing and how the changes will affect the various items customers send and receive. Under the Proposed Rule, one service expectation day will be added to certain volume in Leg 1 (*i.e.*, from collection to originating processing facility) for items originating in ZIP Codes covered by RTO. However, RTO will remove the dependency between collections and transportation, thereby allowing the Postal Service to correct the significant deficiencies that currently exist in its local and regional transportation networks and enabling improved volume arrival profiles at processing facilities. As a result, the Postal Service will be able to accelerate the movement of mail in Leg 2 (*i.e.*, from originating processing facility to destinating processing facility) by expanding the drive times for each of the travel bands that establish the delivery expectation days for First-Class Mail by four hours.

The overall impact of these changes is that most market-dominant volume, including First-Class Mail, will have the same or better service standard than it does under the current standards and service overall will be more consistent and reliable. While certain Single Piece First-Class Mail items that are mailed by customers in a ZIP Code subject to RTO may have a service expectation that is one day longer than it is today, all First-Class Mail items will still fall within the existing 1–5-day service standard range (excluding USPS Connect® Local, which has a 0–1-day standard). Further, Single Piece First-Class Mail items originating and destinating within the same RPDC service area or the same Local Processing Center (LPC) service area for

qualifying LPCs (turnaround volume) will have a 2–3-day service standard. Items sent using Presort First-Class Mail and destination entry rates will not be impacted by RTO and should enjoy faster service in Leg 2. End-to-end Periodical pieces originating and destinating within the contiguous 48 states will have a 3–6-day service standard, which is overall faster than the current 3–9-day standard. End-to-end USPS Marketing Mail and Package Services originating and destinating within the contiguous 48 states will have a 4–7-day service standard instead of the current 3–10-day standard for USPS Marketing Mail and a 2–8-day standard for Package Services.

For further context, the volume of mail collected through the Postal Service's retail facilities (including mail collected on carrier routes and entered at Post Offices) has declined substantially in recent decades: for instance, in FY 1997 there were 57 billion pieces of Single-Piece First-Class Mail, which by FY 2023 had declined by 80 percent to 12 billion pieces. Single-Piece First-Class Mail is also just one product among many. For example, in the fourth quarter of FY2024, Single-Piece First-Class Mail represented 26 percent of overall all First-Class Mail and 12 percent of all Market Dominant volume. However, the current service standards only take Leg 2 operations into account, and therefore have not been adjusted to reflect Leg 1 operations even though the volume of Single-Piece First-Class Mail being handled in Leg 1 has declined precipitously. This means that the Postal Service is running a large number of transportation trips in Leg 1 with largely empty trucks, adding limited value to service while also producing excess costs and carbon emissions, in order to meet the current service standards.

Since letters, mail-in ballots, payments, and other letter-sized items that customers send are typically sent using Single Piece First-Class Mail, most of these items will have a service standard that is the same or faster than the current standard, though some will have standard that is slightly longer, but all still within the current day ranges. Government checks and communications, utility bills, ballots, and other letter-sized items that customers receive are often sent using Presort First-Class Mail, which will not be impacted by RTO and may experience accelerated service in Leg 2 once phase 2 is implemented. Medicines, merchandise, and other goods are typically sent using competitive package services, and therefore, generally fall outside the

scope of this rulemaking (though most packages will also receive the same or accelerated service under the new standards). In addition, since most customers receive more mail than they send and the majority of mail volume originates in locations that will not be subject to RTO, most customers will see the same or faster speeds, with improved service overall, regardless of where they live. Finally, service reliability will improve for all volume, as the Postal Service's transformed network will enable more precise operations.

To be sure, these changes reflect a tradeoff with certain mail experiencing a slightly longer delivery time. However, as described elsewhere, given the steady and irreversible decline of Single Piece First-Class Mail, these changes are reasonable and appropriately tailored to achieve significant cost savings and improve operational efficiency and precision, which is critical if the Postal Service is to achieve its statutory obligation to be financially self-sufficient, all while maintaining service within the current service standard day ranges for most items. Indeed, a few commenters agreed with the Postal Service's decision to eliminate certain low-volume truck runs, and/or suggested that the Postal Service struck the right balance in expanding certain delivery standards by one day in order to avoid these inefficient trips.

Further, comments regarding concerns about service performance, including concerns that the changes will exacerbate past failures, overlook that the service standard changes and related operational initiatives will result in service standards being more precise and reliable. The Postal Service's current First-Class Mail standards are predicated solely on plant-to-plant driving distances, meaning they are based on 3-digit to 3-digit ZIP Code pairs. The new standards are based on more precise 5-digit to 5-digit ZIP Code pairs, which more accurately and logically reflect the three operational legs applicable to the movement of mail and packages: collection to origin processing (Leg 1), origin processing to destination processing (Leg 2), and destination processing to delivery (Leg 3). This move will provide customers with more detailed and logical information about the service they can expect. In addition, performance failures are often largely due to the fact that the Postal Service's legacy network is ill-designed to meet current market realities. The service standard changes and related operational initiatives are designed to create an efficient, reliable,

and precise network, with achievable service standards that are appropriately aligned to that network. In other words, these changes are structured to address, not exacerbate, past performance issues.

The concern that the Postal Service's performance targets for FY25 reflect that the Postal Service is anticipating worsening service once RTO is implemented, ignores that the targets are *higher* than FY2024 performance, so the targets say nothing of the sort. The targets reflect operational reality and the magnitude of the transformational task ahead of the Postal Service; they reflect the transitions which will unfold during the coming year, but in no way do they belie the improvements the Postal Service expects the modernized network to achieve over the long term. The Postal Service seeks to build a cost-effective network in which its long-term service excellence goal can be achieved in a financially and operationally sustainable manner, in contrast to prioritizing higher short-term performance at the expense of building a cost-effective network. What the Postal Service learned from improved service performance in FY 2022, and again in FY 2023 where service performance for several products reached 95 percent, was that achieving such a level of service performance within the existing network could only come at an unacceptable cost that the Postal Service is simply no longer able to bear, given its legal obligation to be financially self-sufficient.

The Postal Service acknowledges that the implementation of some of the DFA Plan initiatives has led to temporary service performance issues in certain areas, due to issues with initial execution. The results initially seen in Atlanta and Richmond were unacceptable, and recovery in those initial regions took too long. Richmond was the first RPDC region, and Atlanta was a particularly complex activation that involved a brand-new facility and the consolidation of a large number of separate facilities. These issues were temporary, and the Postal Service has seen significant service improvements in those regions. In addition, other regions, such as Portland, did not experience a significant decrease in service performance when its RPDC was implemented. Finally, the Postal Service has and will continue to leverage the experience from these early implementations to subsequent RPDCs.

Moreover, with respect to service performance at the LTO pilot locations, the Postal Service utilized the pilots to assess the operational and service implications of the initiative and to determine how it might be modified or

enhanced to achieve its strategic goals of providing high-quality, reliable, and efficient service in a financially sustainable manner. The Postal Service determined that it is not possible to effectively optimize transportation and to be financially sustainable within the constraints of the current service standards. This is why the Postal Service is revising the standards to explicitly accommodate the fact that mail and packages entered the prior day would be picked-up on the next day's transportation route for certain ZIP Codes, to enable transportation optimization while also providing customers with precise and reliable service expectations.

In addition to the service standard changes, the Postal Service is also proposing to exclude Sundays and holidays as transit days for measurement for mail and packages that enter the Postal Service's network on Saturday or the day before a holiday. Certain commenters shared concerns that this change would further delay the delivery of mail and packages. In reality, this change affects only a small amount of mail volume. By removing this constraint, as most of the Postal Service's competitors and other foreign postal operators have done, the Postal Service will be able to achieve additional operational efficiencies and costs savings with minimal impact on volume, including building density, creating higher throughputs, and staffing with more flexibility.

Currently, because Sundays and holidays count as transit days, the Postal Service is forced to process volume that was entered at delivery or retail on Saturdays (or immediately before holidays) for immediate dispatch into the network on Sunday mornings (or on holiday mornings). Excluding Sundays and holidays as transit days for measurement for mail and packages entered on Saturday or the day before a holiday will further establish more precise and achievable service expectations. This ensures consistent service standards across all Post Offices and product categories and would avoid complications with implementing different measurement standards for different locations and would provide predictable service levels nationwide.

Finally, the Postal Service notes that the abovementioned comments focus almost exclusively on delivery speed. In their view, even the modest (one day) increase in service standards for a small minority of volume, within the current day ranges, is unreasonable and disqualifying. However, when establishing service standards, the Postal Service must balance competing

policies, with delivery speed serving as just one consideration. As described further below, the new service standards and related operational initiatives appropriately balance competing priorities, as they will revitalize and modernize the Postal Service's network and significantly reduce costs, promote financial sustainability, provide the same or enhanced service standards for most volume, and deliver greater service reliability overall. These changes will help to ensure that the Postal Service is able to provide universal postal services into the future. There is little value to customers in prioritizing speed at any cost in the short term if that means that the Postal Service is unable to adjust to changing market dynamics, falls further into financial insolvency, and becomes unable to provide universal postal services in years to come. Accordingly, having considered the abovementioned comments, the Postal Service has determined that they do not necessitate any revisions to the Proposed Rule.

B. Disparate Impact on Rural Communities and Network Consolidations

A few commenters claimed that the service standard changes as designed will impact rural customers more than urban customers, and that this impact is inappropriate. For example, one commenter stated, "Given that most post offices outside the 50-mile boundary are in rural communities, these areas will disproportionately see their service downgraded." She also claimed that not one community within Wyoming, South Dakota, or Vermont falls within a 50-mile radius of an RPDC, and therefore, these entire states would be subject to RTO without any upside. Similarly, many individuals shared concerns regarding the closure, perceived downgrading, and/or consolidation of processing facilities, particularly in rural areas, including in the state of Wyoming. They argued that it is inefficient and time consuming to send mail, particularly intrastate mail, out of state for processing.

Neither RTO nor the revised service standards single out rural areas; they are instead predicated on a uniform rule that applies equally across urban and rural areas and that affects more urban volume than rural volume overall. Rural and urban areas alike will receive a mix of service standard upgrades and downgrades. Further, even customers who may experience a service downgrade for mail they are sending will benefit from the increased efficiencies that will be gained, particularly for mail they are receiving. As noted above, the majority of mail and

package volume, including mail and package volume destined to rural communities, originates in ZIP Codes that are within 50 miles of an RPDC. This volume will not be impacted by RTO and can be processed more quickly, as it will no longer need to wait for volume arriving from outlying areas.

These claims also ignore the efforts the Postal Service has taken to mitigate the already limited impact the changes will have on rural communities. The service standard changes preserve regular and effective access to postal services in all communities, including those in rural areas or where Post Offices are not self-sustaining. As noted above, the changes maintain the existing service standard day ranges for First-Class Mail, meaning no such mail will have a standard of more than 5 days, and service within these ranges will be more predictable and reliable. The changes also include a 2–3-day local turnaround service within a region and within certain local areas. Due to the financial and efficiency gains from the operational and service standard changes, and in recognition of specific concerns raised by stakeholders that value local turnaround service, the Postal Service initially identified 16 LPCs that would maintain some originating processing operations and is announcing additional LPCs that would likewise maintain some originating processing, including local cancellation, to facilitate more local turnaround mail. The Postal Service has recently announced additional LPCs that will include these originating operations and intends to identify additional qualifying LPCs as appropriate based on an assessment of operational considerations. This means that more ZIP Codes will fall within the service areas for 2–3-day local turnaround. For example, while Vermont, South Dakota, and Wyoming may not have an RPDC located in the state, they will now each have at least one LPC with 2–3-day local turnaround service for Single Piece First-Class Mail originating and destinating in the local area, and Single Piece First-Class Mail that originates in Vermont, South Dakota or Wyoming and destines within the same RPDC service area will have a 3-day standard. Furthermore, significant percentages of Presort First-Class Mail (including critical mail like bills and government communications), First-Class Mail overall, and other market-dominant products will be upgraded for both rural and urban ZIP Codes once the final rule is fully effective. Neither access to, nor the list of services provided at, Post Office locations is changing.

With respect to individuals who expressed concerns that facility closures and consolidations would result in local mail being processed in another state, the reality is that a majority of the mail collected locally does and will travel across the Postal Service's wider transportation and processing network over significant distances to reach their final destinations. A very high percentage of mail (often 80 to 90 percent) that originates in a specific city or county is destined for other parts of the state, country, or world. In other words, almost all mail that is sent in any local area across the country is bound for another local area, and almost all mail being delivered in any local area did not originate in that local area. Mail and packages destined for outside the local area will receive better service and be more cost effectively distributed, by aggregating them with mail and packages from other areas going to the same places that will likewise utilize the wider postal network and be transported significant distances from where the mail originated. So, making its first processing stop further away serves to hasten its travel, not slow it. While this might seem counterintuitive, it is very consistent with logistics and mail processing reality and practice. One must only look at analogous express package carriers who operate out of a single or a handful of U.S. hubs to find evidence of this common practice for speed and efficiency.

The Postal Service's legacy network consists of hundreds of facilities that were established without any overarching design or rationale—they were deployed ad hoc, as needed, and they do not reflect any systematic placement of where certain functions should take place for the greatest network efficiency. Right now, the geographic location of any given processing or sortation operation is not necessarily the best place for it. This has led to excess truck trips, half-empty trucks, redundant functionality and equipment, and a large amount of deferred maintenance, among a host of other illogical and unsustainable inefficiencies. The Postal Service's DFA Plan involves determining the most logical, cost-efficient location for a given operation and implementing infrastructure changes and facility investments accordingly, all while leveraging a vast embedded infrastructure to the greatest extent possible. These changes will position the affected facilities for the most efficient flow of mail and packages and thus for success and relevance in the current and future marketplace. The

facilities are not being “downgraded,” because there is no inherent value in how many different operations a facility performs. A facility's value comes from its utility to the overall system, and the changes and investments under the DFA Plan actually ensure that these facilities have value by adjusting their roles toward what is needed as part of a more optimal and financially sustainable network.

As the Proposed Rule carefully balances the need to increase operational efficiencies and reduce costs, while also continuing to provide timely and reliable postal services to all communities, and also includes measures designed to mitigate the effect on impacted communities, the Postal Service has determined that changes are not needed to address comments regarding the impact on rural communities or facility closures/consolidations prior to implementing the final rule. Though, while it does not necessitate a change to the rule, the Postal Service does note that more LPCs will provide local turnaround service than originally planned, as described in more detail above. As described above, this means that more ZIP Codes will fall within the service areas for 2–3-day local turnaround.

C. Financial Considerations

A few of the commenters raised cost-related concerns, including a concern that costs are not a legitimate consideration when setting service standards. For example, one commenter claimed that prioritizing financial self-sufficiency over delivery speed is inconsistent with the statutory framework Congress created. Others questioned whether the Postal Service's projected efficiencies and cost-savings are reliable and/or whether they outweigh potential harms. A few commenters suggested that the Postal Service should, in lieu of the changes, pursue other business ventures, such as offering banking services or further incentivizing Presort and Destination Entry volume, as a means to reduce costs and increase revenues.

As noted in the Postal Service's Reply Brief, financial sustainability is a legal requirement and a practical necessity. A central purpose of postal policy since the creation of the Postal Service in 1970 is the provision of universal services in a financially self-sufficient manner. The pre-1971 Post Office Department was dependent on Congressional appropriations to cover its operating deficits; by contrast, Congress sought in the Postal Reorganization Act to free the Postal Service from political interference,

enable the achievement of its universal service mission in a more business-like manner, and eventually to become self-sufficient. Neither in the Postal Accountability and Enhancement Act nor, subsequently, in the Postal Service Reform Act did Congress waver in its commitment to this fundamental policy. A few commenters appeared to be confused about the Postal Service's status and objected to the proposed changes on the mistaken understanding that the Postal Service is taxpayer funded. Other commenters simply ignored this fundamental aspect of the statutory scheme. For example, one commenter claimed that, because Title 39 “does not direct the Commission to consider the Postal Service's ability to achieve financial self-sufficiency when evaluating a change to service standards,” the Commission “should not defer to the Postal Service's claimed discretion to balance the directives of the statute against its perceived financial needs.” This claim is clearly inconsistent with the statutory scheme, whose plain text directs the Postal Service to establish an effective and economical postal system whose costs are covered through postage rates and fees, not annual appropriations. 39 U.S.C. 101, 403, 404 (b), 3622(b)(5), 3661(a), 3691. Service standards are important drivers of the structure of the Postal Service network and hence the costs that the Postal Service incurs, and it would be impossible to achieve these statutory obligations if the Postal Service set service standards without regard for costs, particularly in an environment of yearly sustained losses and steadily dwindling cash. In fact, the statute explicitly directs the Postal Service to do so in section 3691(b)(1)(C), which recognizes the need to balance service considerations against “reasonable rates and best business practices,” a balancing that necessarily requires effective cost management and adaptations of the postal network to changing market dynamics. *See also* 39 U.S.C. 3691(c)(4) and (6)–(8). This language recognizes that the Postal Service has three choices under the statute to cover its costs as circumstances change: raise revenue, cut costs (through improved efficiency or reduced cost of performance), or both. If the Postal Service does not ensure that service standards align with an efficient network, its only alternative under the statutory scheme would be to cover those excess costs through higher rates, but market-dominant products are statutorily limited by a price cap.

For as long as the Postal Service is required by law to self-fund, it is

incumbent that the Postal Service consider costs while designing service standards, formulating operational strategies, and identifying opportunities for improved efficiency. This is not to say that the Postal Service considered cost alone in structuring the service standard changes; rather the proposed changes are designed to balance the multiple competing objectives enshrined in Title 39, including the need to provide regular and effective levels of service.

While some comments question the reliability of the Postal Service's projected efficiencies and cost-savings, the Postal Service's models and decision-making processes are robust. The strategies being employed are not revolutionary, but instead simply involve the deployment of modern approaches that any commercial logistics provider should use. The Postal Service's operational planning and implementation processes to execute on those strategies are thorough and systematic, and enable the Postal Service to appropriately design and execute on meaningful change in the real world of postal operations. During the advisory opinion proceeding, hundreds of pages of testimony and evidence were entered into the record and these materials support that projected annual cost savings under the Postal Service's proposal is approximately \$3.6 to \$3.7 billion. Further, in light of the magnitude of the Postal Service's financial problems, the projected cost savings outweigh the costs associated with a modest increase in service standards for a minority of volume, and appropriately balance statutory policies that require the Postal Service to achieve financial sustainability, create an integrated network, and foster reliability in its service. If the Postal Service is to sustain itself and continue to meet the American public's delivery needs, transportation must be more efficiently and effectively routed, and costs must be more efficiently and effectively managed than they are today.

While certain commenters proposed ways to increase revenue or reduce costs in lieu of the proposed changes, such as by offering banking services or incentivizing "drop entry and workshare activity," these proposals largely dismiss the problems the DFA Plan is designed to address, offer in its place no clear operational or financial benefits, and in some cases seem designed to serve the special interests of the commenter. These suggestions implicate pricing and product issues that lie outside of the scope of this proceeding, and in any event provide no

reason why the Postal Service should not pursue a plan to eliminate billions of dollars of costs while improving efficiency and reliability throughout all stages of its network and operations.

For the reasons stated above, the Postal Service does not believe any edits must be made to the Proposed Rule to address the abovementioned cost-related concerns.

D. Election Mail

A few commenters expressed concerns about the impact that the service standard changes and network consolidations would have on election mail, specifically ballots. These commenters expressed concerns that ballots sent through the mail would no longer be delivered on time, resulting in the disenfranchisement of voters. Two of these same commenters also expressed concerns about ballots moving between states during mail processing, with one commenter arguing that ballots "should never leave the state for any reason" and another offering an example of voters in southern Utah whose ballots were sent to Nevada for processing and postmarking, which were postmarked after the state's deadline and were not counted.

The Postal Service remains committed to the expeditious processing and delivery of the nation's election mail, particularly ballots. The Postal Service has a proven track record of timely delivering the nation's election mail. For example, during the 2024 general election, it took on average one day for the Postal Service to deliver ballots from voters to election officials.¹ The Postal Service provides a secure, efficient and effective way for citizens to participate when policymakers decide to use mail as part of their elections and it will continue to do so following the service standard and operational changes.

However, it is important to remember that voters are responsible for understanding their local jurisdiction's rules and requirements. If they are eligible to vote by mail and choose to do so, they should plan ahead to give themselves enough time to receive and then complete and return their ballot by their state's deadlines.

Moreover, ballots routinely leave state boundaries. Election officials send ballots via mail to voters living out of state so they can vote absentee, including to military personnel and citizens living abroad. Many election jurisdictions also rely on mail service

providers in different states to prepare and mail ballots. Restricting mail processing for ballots within state limits would effectively eliminate these longstanding practices and would lead to absurd results.

In the case of voters in southern Utah raised by one commenter, certain ballots were not counted because they had a postmark date after the state's deadline. As the article cited within the comments explains, a number of those ballots were put into collection boxes too late to make the postmark deadline. In other words, this was not the result of postal operations. The voters did not mail their ballots in a timely fashion to satisfy their state's requirements.

For those reasons, the Postal Service does not believe that the comments warrant any changes to the final rule.

IV. Explanation of Final Rule

A. Service Standards Generally

Before describing how the service standards are revised, it is important to understand how service standards are structured in Postal Service regulations. Service standards contain two components: (1) a delivery day range within which mail in a given product is expected to be delivered; and (2) business rules that determine, within a product's applicable day range, the specific number of delivery days after acceptance of a mail piece by which a customer can expect that piece to be delivered, based on the ZIP Code prefixes associated with the piece's point of entry into the mail stream and its delivery address. As noted above, effective July 1, 2025, the Postal Service is restructuring the service standards for domestic First-Class Mail, with certain exceptions, as the sum of delivery days accruing across three successive operational legs reflecting end-to-end service from an originating 5-digit ZIP Code to a destinating 5-digit ZIP Code. Leg 1 begins with collection and ends with acceptance at the applicable originating processing facility. Leg 2 begins with acceptance at the originating processing facility and ends with acceptance at the applicable destinating processing facility. Leg 3 begins with acceptance at the destinating processing facility and ends with delivery.

With respect to Leg 1, the Postal Service intends to redesign regional transportation (routes between processing facilities, Post Offices, and delivery units) through the RTO initiative to address the significant inefficiencies that exist in local and regional transportation networks and to ensure service reliability and cost

¹ <https://about.usps.com/newsroom/national-releases/2024/1202-usps-releases-2024-post-election-analysis-report.htm>.

efficiency. With respect to Leg 2, the Postal Service intends to systematically redesign and invest in its outmoded processing facilities to create a network of RPDCs and LPCs, which deploy standardized and logically sequenced operating plans and schedules for the movement of mail and packages, more sortation equipment, optimized transportation routes, and improved operating tactics to increase throughput, gain productivity, and increase asset utilization across the country.

The Postal Service is revising service standards for end-to-end market-dominant products to align with these operational initiatives; these standards will be more operationally precise and specific for customers, enable the Postal Service to maintain or upgrade service standards for a majority of volume, and enhance the ability to reliably achieve standards. In particular, the Postal Service plans to reimagine how service standards are established by breaking that service into segments so that customers have clear, understandable, and logical information about the service provided to them from a 5-digit to 5-digit ZIP Code perspective.

For First-Class Mail, the existing day ranges will be preserved, meaning all mail will continue to be delivered within the existing day range of 1–5 days (as well as the current range of 0–1 days for USPS Connect® Local). For some end-to-end products within the contiguous 48 states (Periodicals, USPS Marketing Mail, and Package Services), the maximums for those day ranges will be shortened. (Unless specified otherwise, references in this document to the “contiguous states” or the “contiguous 48 states” include the District of Columbia.) No destination entry product standards will be changed, except to reflect the new RPDC/LPC network. Overall, most mail and packages in the contiguous 48 states will either receive the same service standard or an accelerated standard so that they are delivered faster than today, while some mail and packages under the new standards will have a service expectation that is longer than the current expectation but still within the current day-ranges.

Specifically, current First-Class Mail standards are predicated solely on plant-to-plant (3-digit ZIP Code to 3-digit ZIP Code) driving distances. The rule will transition to 5-digit to 5-digit ZIP Code service standards that maintain the existing delivery day ranges while, for inter-RPDC volume, accurately and logically reflecting the three operational legs applicable to the movement of mail and packages: collection to origin processing facility

(Leg 1), origin processing facility to destination processing facility (Leg 2), and destination processing facility to delivery (Leg 3). Distinct rules will apply to intra-RPDC volume (that is, First-Class Mail volume that originates and destines in the same RDPC region), as well as certain intra-LPC volume.

Because the current standards are predicated on plant-to-plant driving distances, they do not consider the regional and local transportation operations necessary to transport mail and packages from where they are collected to the processing network: that is, within a particular 3-digit ZIP Code, a mailpiece that originates at a Post Office that is 300 miles from the processing facility in which the mailpiece is dispatched to the network has the same standard as a mailpiece that originates 20 miles from that processing facility (if they are going to the same destination 3-digit ZIP Code). To meet the constraints imposed by this current approach to service standards, the Postal Service must structure its transportation network to ensure that all originating mail gets to the processing network on the day it is collected from customers, no matter how far away from the processing network it is entered. This leads to significant inefficiencies in regional transportation practices, because the Postal Service must conduct separate trips to drop-off destinating volume from the processing network to collection/delivery facilities in the morning (AM drop-off) and pick-up originating volume from the collection/delivery facilities to the processing network in the afternoon (PM collections), or alternatively pay Highway Contract Route (HCR) contractors to layover for multiple hours between the AM and PM legs of their routes.

While this practice of separating drop-off and pick-up activities may have made sense in a different era where the volume of Single Piece First-Class Mail was much greater, it engenders costs and inefficiencies impossible to justify in today's environment. Overall, the current practice results in inefficient transportation—characterized by excessive trips, poor utilization of truck capacity, and excess carbon emissions. In addition, the current practice reduces the efficiency and reliability of Leg 2 operations (processing and network transportation), because the need to wait for the volume from outlying collection/delivery facilities to arrive at the processing plant on the PM transportation creates a volume arrival profile which reduces efficiencies, requires the scheduled dispatch to the

network to be later, and increases the likelihood either for the scheduled dispatch to leave late in order to wait for all of the mail and packages to arrive at the plant and be processed, or for mail and packages to not make the scheduled dispatch at all because it does not make it to the plant on time to be processed on that day given the compressed processing window. This impacts not only the efficiency and velocity of originating operations but can also have substantial negative downstream effects that reduce service performance for all volume.

With respect to Leg 1, the Postal Service is implementing RTO, for mail originating in the contiguous states, to correct for these inefficiencies. Pursuant to RTO, the Postal Service will have the ability to structure transportation routes that go to facilities that are farther from the processing network so that trucks would pick up originating volume on the same routes that are also used to drop off destinating volume. The RTO initiative rationalizes the regional transportation network by eliminating routes and increasing truck utilization and thereby reduces transportation costs and the amount of carbon emissions. It also improves the efficiency and velocity of the processing network by producing volume arrival profiles that are spread more evenly throughout the day, enabling a more effective use of network resources and allowing the Postal Service to dispatch volume that is entered closer to processing plants (which is a majority of volume) earlier than is the case today. The Postal Service will designate 5-digit ZIP Codes for RTO when a retail/collection facility servicing that 5-digit ZIP Code is more than 50 miles from the RPDC campus. Exceptions to this 50-mile rule may be implemented under certain circumstances based on operational or business considerations.

The standards will more logically and accurately reflect operations within Leg 1 and enable the implementation of the RTO initiative, thereby giving the Postal Service the ability to optimize its regional and local transportation. Specifically, and as part of the shift from the 3-digit to 3-digit ZIP Code standards to a more refined service calculation based on 5-digit ZIP Codes, the service standards will explicitly accommodate the fact that mail and packages entered the prior day will under RTO be picked up on the next day's transportation route for certain ZIP Codes. Effective April 1, 2025, certain mailpieces entered in ZIP Codes subject to RTO will therefore have one day assigned for Leg 1 in the service standards; zero days will apply in Leg

1 to pieces originating in other 5-digit ZIP Codes not subject to RTO. Implementing this change is the only way to correct for the significant deficiencies of the current network, while also ensuring that the standards set forth achievable, reliable, and understandable service expectations for customers.

With respect to Leg 2, the standards being implemented as part of phase 2 reflect the increased efficiency, velocity, and reach of the processing and network transportation due to the operational benefits of the RPDC/LPC redesign and RTO. As noted above, the network of RPDCs and LPCs will deploy standardized and logically sequenced operating plans and schedules, more sortation equipment, optimized transportation routes, and improved operating tactics to increase throughput, gain productivity, and increase asset utilization across the country. In addition, RTO enables more efficient and accelerated originating processing operations, therefore allowing volumes to enter the network earlier. As a result of these benefits, the Postal Service will expand by four hours each of the existing service standard bands within Leg 2 for First-Class Mail so that such mail can travel farther to plants that are a greater distance from the originating plant within the Leg 2 bands.

Finally, while the Postal Service is recognizing Leg 3 in the First-Class Mail standards, no additional days are being added for this leg, which is the same as the current standards.

These adjustments to the service standards once fully implemented will lead to a net positive impact for First-Class Mail from a service standard perspective, and generally faster service for end-to-end USPS Marketing Mail, Periodicals, and Package Services. The service standards reflect the fact that the operational changes will enable volume to be accelerated through Leg 2, due to the benefits of the new network design and RTO; as a result, the Leg 2 bands for First-Class Mail will be expanded by four hours compared to the current standards. All volume will benefit from greater service reliability. Some mail (constituting a minority of volume) destined to the contiguous states will experience a service standard that is longer than the current service standard (although within the current day ranges), primarily because the Postal Service will assign one day within Leg 1 for all volume originating in a 5-digit ZIP Code that is subject to the RTO, as described below. In addition, as a result of the overall changes, a small volume of mail to and/or from locations outside the contiguous states will experience a

service standard that is longer than the current service standards, while other volume outside the contiguous states will experience a service standard that is shorter than the current service standards. The relative upgrades and downgrades demonstrate the Postal Service's efforts to maintain high quality service and mitigate any customer impacts to the extent possible, while also implementing operational changes necessary to achieve the critical—and significant—cost savings that are necessary for financial sustainability.

The service standards are a critical aspect of the DFA Plan's overall goals to create a financially sustainable and reliable Postal Service capable of achieving the universal service mission for all customers for years to come. In this regard, and considering the Postal Service's statutory obligations, the changes will enable the Postal Service to achieve a better balance of cost-effectiveness and reliability, by enabling the Postal Service to undertake critically necessary operational initiatives and more realistically aligning the service standards with operational capabilities. The final rule will result in much more precise and efficient network operations that better match current and projected mail mix and volumes, and the Postal Service anticipates that the changes will result in significant cost savings, in addition to enhancing service reliability and predictability. This keeps costs at reasonable levels and helps to ensure affordable rates. Overall, the operational changes and associated service standards will revitalize and rationalize the postal network in a way that enables the Postal Service to be a modern and high-performing organization.

Pursuant to 39 U.S.C. 3661(b), on October 4, 2024, the Postal Service requested an advisory opinion from the Postal Regulatory Commission relating to these revisions to 39 CFR part 121; the Commission considered the request in Docket No. N2024–1. Further explanation and justification of the operational initiatives and the service standards, and how they are consistent with 39 U.S.C. 3691 and other provisions of law, can be found in the materials that the Postal Service has filed in that docket.

The Postal Service's market-dominant service standards are contained in 39 CFR part 121. The specific revisions to 39 CFR part 121 appear at the end of this document. The following is a summary of the revisions.

B. First-Class Mail

Under the rule, the process for collections will not change, nor will access to Postal Service retail services.

Instead, RTO will eliminate the interdependency between the time mail is collected from customers and network transportation schedules and plant processing schedules; eliminating this interdependency between local retail and collection operations, and network logistics and processing operations, is critically important to enabling the Postal Service to create a precise, efficient, and cost-effective network, as discussed in more detail above. ZIP Codes will be designated for RTO when a retail/collection facility servicing that 5-digit ZIP Code is more than 50 miles from the RPDC (though exceptions may apply). In situations where the RPDC is a campus, the 50-mile rule will be based on the location of the specific facility that performs cancellation operations. The rule generally will add no day for Leg 1 for ZIP Codes within 50 miles from the RPDC campus and will add one day to the service standard for ZIP Codes that are more than 50 miles from the originating RPDC. This will allow for more efficient and flexible transportation schedules and improve the arrival profile for mail processing operations, enabling the Postal Service to more timely dispatch the volume that is collected closer to the RPDC to the Leg 2 transportation network.

This logic will generally apply to all end-to-end volume across market-dominant products. Because Leg 1 is the portion of operations from collection to the originating plant, this rule will not apply to any products entered at an RPDC, Presort First-Class Mail, or any destination-entered volume. For operational efficiency, the Postal Service is considering how to adjust when and where Presort First-Class Mail volume may be entered to ensure that it is not subject to RTO. This may result in specification of locations where Presort First-Class Mail can be entered, or changing the critical entry time (CET) for Presort First-Class Mail to ensure there is sufficient time for volume to enter the network. The CET is the latest time on a particular day that a mail piece can be entered into the postal network and still have its service standard calculated based on that day (this day is termed “day-zero”); all of the service standards are contingent upon proper acceptance before the applicable CET.

RTO will provide flexibility in regional transportation scheduling, as the standards will accommodate the fact that mail and packages could under RTO be picked up the next day from the Post Office on the same trip that also dropped off mail at that Post Office for delivery that day. Explicitly accounting for this operational practice in the

service standards enables the Postal Service to achieve the benefits of RTO, while also providing customers with more precise and reliable service expectations. Additionally, by no longer requiring all mail to wait for the volumes collected from the furthest away Post Offices, the Postal Service will be able to accelerate the mail that is within the 50-mile radius of an RPDC through mail processing, allowing for it to be dispatched to the network earlier, thus enabling the expansion of the Leg 2 service standard bands. As such, the addition of a day for Leg 1 will not necessarily equate to the addition of a day for the service standard overall for a given mailpiece. Rather, the service standard for a particular mailpiece will depend on the specific origin and destination and the cumulative number of days that are applicable across the operational segments (with no First-Class Mail having a service standard that exceeds five days).

Under the rule for First-Class Mail, there are several fundamental changes to the calculation of service standards at Leg 2 to align with the end-state RPDC network. First, the measured transit path will be updated. The current network path used for measurement is Origin Processing and Distribution Center or Facility (OPDC/F) to Area Distribution Center (ADC) to Sectional Center Facility (SCF). The rule will instead measure the distance between the Originating RPDC and the Destination RPDC and then the distance between the Destination RPDC to the Destination LPC.

Second, because of the improved arrival profiles facilitated by RTO and the improved efficiencies in the RPDC network, under the rule, each of the existing service standard bands will expand by four hours for First-Class Mail effective as of July 1, 2025. For example, under the current standards, First-Class Mail traveling three hours or less receives a 2-day standard. Under the changes, First-Class Mail traveling up to seven hours (*i.e.*, the current three hours, plus four more hours) will receive a 2-day standard. The bands applicable to the assignment of 3-day and 4-day standards within Leg 2 will also expand by four hours each.

Finally, even for pairs of originating and destinating 5-digit ZIP Codes where the application of the Leg 1 and Leg 2 rules noted above would otherwise result in a 6-day standard, the standard will nonetheless be capped at five days for such pairs.

This segment-by-segment approach applies to inter-RPDC volume (*i.e.*, volume that is moving across the network). Specific rules will apply to

mail and packages originating and destinating within the same RPDC region (intra-RPDC volume). Specifically, the service standards will expand the geographic scope of such “turnaround” volume, which is volume originating and destinating within a facility’s service area. Currently, certain intra-SCF volume receives a 2-day standard. Under the rule, certain intra-LPC and all intra-RPDC First-Class Mail volume will be subject to a new turnaround rule, which will provide for a 2- or 3-day standard, depending on the location of the originating mail volume. Specifically, processing facilities that cancel Single-Piece First-Class Mail on automated equipment will have a 2-day standard for turnaround Single-Piece First-Class Mail originating from 5-digit ZIP Codes within 50 miles of the cancellation location. By contrast, if certain originating volume is from a 5-digit ZIP Code beyond 50 miles of the cancellation location, the turnaround standard for Single-Piece First-Class Mail will be three days. The decision on which LPCs will maintain cancellation operations for Single-Piece First-Class Mail, and thus process local turnaround mail without transporting it to an RPDC, will be based on operational factors, such as distance from the RPDC to the LPC, and the volume of turnaround mail processed at the LPC. In situations in which the LPC retains cancellation operations, the 50-mile rule noted above will be based on the distance from the LPC. In other situations, the RPDC will have cancellation operations, meaning the 50-mile rule will be based on the distance from the RPDC.

Currently, a 1-day service standard is applied to intra-SCF domestic Presort First-Class Mail pieces properly accepted at the SCF before the day-zero CET. To account for the redesigned network, a 1-day service standard will instead apply to eligible intra-LPC Presort First-Class Mail pieces properly accepted at the LPC before the day-zero CET. On the other hand, for eligible Presort First-Class Mail within the contiguous 48 states that is not eligible for the intra-LPC 1-day standard, but that nevertheless originates and destinates within the same RPDC, a 2-day service standard will apply.

RTO will not apply to originating locations outside of the contiguous 48 states; also, the service standards for domestic First-Class Mail originating and/or destinating in such locations will not necessarily depend on the segment-by-segment network path. As a result, service standards for domestic First-Class Mail originating and/or destinating in such locations will generally not change; an exception, for

example, will be application of RTO to domestic Single-Piece First-Class Mail that (1) originates in the contiguous 48 states, (2) is collected in and dispatched from a 5-digit ZIP Code that is over 50 miles in driving distance from the originating RPDC, and (3) destinates in the city of Anchorage, Alaska (5-digit ZIP Codes 99501 through 99539), the 968 3-digit ZIP Code area in Hawaii, or the 006, 007, or 009 3-digit ZIP Code areas in Puerto Rico. Nevertheless, notwithstanding application of RTO generally for domestic First-Class Mail that meets these conditions, a maximum 5-day service standard will be applied.

A same-day service standard will continue to apply to USPS Connect® Local Mail pieces accepted at participating Destination Delivery Units (DDUs) before the applicable day-zero CET; for USPS Connect® Local Mail, Sorting & Delivery Centers are also considered DDUs. A 1-day service standard will continue to apply to all other pieces accepted as USPS Connect® Local Mail, including pieces accepted via carrier pick-up.

The rule will also have certain effects on standards for international mail. As a result of the application of 5-digit to 5-digit ZIP Code pairs, the service standard for outbound Single-Piece First-Class Mail International pieces properly accepted before the day-zero CET will be equivalent to the service standard for domestic First-Class Mail pieces originating from the same 5-digit ZIP Code area and destined to the 5-digit ZIP Code area in which the designated International Service Center is located. Similarly, the service standard for Inbound Letter Post pieces properly accepted before the day-zero CET will be equivalent to the service standard for domestic First-Class Mail pieces destined to the same 5-digit ZIP Code area and originating from the 5-digit ZIP Code area in which the applicable International Service Center is located. Because Inbound Parcel Post (at Universal Postal Union (UPU) rates) includes Inbound Surface Parcel Post (at UPU rates), and because that product is now competitively classified, the rule will remove it from these market-dominant service standards.

C. Periodicals, USPS Marketing Mail, and Package Services

Service standards for end-to-end Periodicals and USPS Marketing Mail originating and destinating in the contiguous 48 states will generally flow from the Single-Piece First-Class Mail standards using the same measured travel path (disregarding standards for USPS Connect® Local Mail and for intra-LPC “turnaround” service). For

Periodicals, the general rule in relation to First-Class Mail will remain the same—*i.e.*, a 3–6-day range will be applied to Periodicals, with the standard generally equaling the sum of the applicable First-Class Mail service standard (disregarding standards for USPS Connect® Local Mail and for intra-LPC “turnaround” service) plus one day. For USPS Marketing Mail, the rule will add two days to the applicable First-Class Mail service standard (disregarding standards for USPS Connect® Local Mail and for intra-LPC “turnaround” service). This means that the outer-bound for USPS Marketing Mail in the contiguous states will be seven days, rather than ten days under the current standards. For end-to-end Package Services within the contiguous 48 states, the rule will add two days to the First-Class Mail standards, after 5–9 hours of Leg 2 driving time is added to the applicable First-Class Mail service band; overall, this will reduce the outer-bound of the service standards for Package Services in the contiguous states to seven days, rather than the current eight days.

With respect to Destination Entry Periodicals, Destination Entry USPS Marketing Mail, and Destination Entry Package Services, the service standards generally will not change, except to reflect the new network. That is, to correspond with the operational network and infrastructure changes that the Postal Service is implementing, the LPCs will replace the ADCs and the SCFs in the service standards. Likewise, the RPDCs will replace the Network Distribution Centers (NDCs) in the service standards. These changes will allow some Destination Entry Periodicals to receive an accelerated service standard, in part because it will no longer matter in this respect whether Destination ADCs (DADCs) and Destination SCFs (DSCFs) are co-located, given that they are both being replaced by Destination LPCs (DLPCs).

Under the rule, for Destination Entry Periodicals originating and/or destinating in locations outside of the contiguous 48 states, service standards will largely remain unchanged, aside from facility nomenclature updates reflecting the network redesign, with certain exceptions. A small volume of mail to and/or from locations outside the contiguous states will experience a service standard that is longer than the current service standards. Currently, for example, a 3-day service standard is applied to Periodicals pieces that qualify for a

DSCF rate and are properly accepted before the day-zero CET at the designated DSCF, if they are entered at the DSCF in Puerto Rico and destined to the U.S. Virgin Islands, or destined to the following 3-digit ZIP Code areas in Alaska (or designated portions thereof): 995 (5-digit ZIP Codes 99540 through 99599), 996, 997, 998, and 999; on the other hand, currently a 4-day service standard is applied to Periodicals pieces that qualify for a DADC rate and are properly accepted before the day-zero CET at the designated DADC, if they are entered at the DADC in Puerto Rico and destined to the U.S. Virgin Islands, or if they are destined to the following 3-digit ZIP Code areas in Alaska (or designated portions thereof): 995 (5-digit ZIP Codes 99540 through 99599), 996, 997, 998, and 999. Since LPCs will replace ADCs, and since DLPC service standards will largely track those currently applied to DSCF volume, for such mail, the shorter of the two service standards (*i.e.*, 3-day) will apply to Periodicals pieces that qualify for a DLPC rate and are properly accepted before the day-zero CET at the designated DLPC, if they are entered at the DLPC in Puerto Rico and destined to the U.S. Virgin Islands, or destined to the following 3-digit ZIP Code areas in Alaska (or designated portions thereof): 995 (5-digit ZIP Codes 99540 through 99599), 996, 997, 998, and 999.

Furthermore, a 3-day service standard is currently applied to Periodicals pieces that qualify for a DSCF rate and are properly accepted before the day-zero CET at the designated DSCF, if they are entered at the DSCF in Hawaii and are destined to American Samoa; on the other hand, currently a 4-day standard applies to Periodicals pieces that qualify for a DADC rate, are properly accepted before the day-zero CET at the designated DADC, and are destined to American Samoa. For reasons of operational feasibility, under the rule, a 4-day service standard will be applied to Periodicals pieces that qualify for a DLPC rate and are properly accepted before the day-zero CET at the designated DLPC, if they are destined to American Samoa.

Finally, as the service standards themselves have been simplified, the tables depicting day-ranges for non-contiguous states and territories at the end of Part 121 (Tables 2 and 4) likewise have been streamlined. Table 2 reflects the general standards for end-to-end day-ranges for the non-contiguous states and territories, including exceptions for some intermodal transportation. Table 4 reflects the general standards for destination entry day-ranges for the non-contiguous states and territories,

including consolidated day-ranges resulting from LPCs and RPDCs superseding SCFs, ADCs, and NDCs.

List of Subjects in 39 CFR Part 121

Administrative practice and procedure, Postal Service.

Accordingly, for the reasons stated, the Postal Service adopts the following revisions to 39 CFR part 121:

PART 121—SERVICE STANDARDS FOR MARKET-DOMINANT MAIL PRODUCTS

■ 1. The authority citation for part 121 continues to read as follows:

Authority: 39 U.S.C. 101, 401, 403, 404, 1001, 3691.

■ 2. Amend § 121.1 by adding paragraph (i) to read as follows:

§ 121.1 First-Class Mail.

* * * * *

(i) Notwithstanding paragraphs (a) through (h) of this section, and unless an exception applies due to operational or business considerations, with respect to First-Class Mail that originates in the contiguous 48 states and falls within one of the service standards set forth in paragraphs (c)(1), (c)(2), (d), (e)(1), or (e)(2) of this section, as well as for Outbound Single-Piece First-Class Mail International pieces that originate in the contiguous 48 states and pursuant to paragraph (g) of this section are based on one of the service standards set forth in paragraphs (c)(1), (c)(2), (d), (e)(1), or (e)(2) of this section:

(1) One service expectation day is added to the applicable service standard for pieces (excluding eligible Presort First-Class Mail pieces) originating in a 5-digit ZIP Code when a facility from which mail is dispatched for the originating 5-digit ZIP Code is over 50 miles in driving distance from the originating Regional Processing and Distribution Center or Campus (RPDC); and

(2) Zero service expectation days are added to the applicable service standard for pieces originating in a 5-digit ZIP Code when no facility from which mail is dispatched for the originating 5-digit ZIP Code is over 50 miles in driving distance from the originating RPDC, and including eligible Presort First-Class Mail.

■ 3. Amend § 121.2 by revising paragraph (a)(1) to read as follows:

§ 121.2 Periodicals.

(a) * * *

(1) a 3- to 6-day service standard is applied to Periodicals pieces properly accepted before the day-zero Critical Entry Time (CET) and merged with

First-Class Mail pieces for surface transportation (as per the Domestic Mail Manual (DMM)), with the standard specifically equaling the sum of 1 day plus the applicable First-Class Mail service standard as calculated consistent with § 121.1(i).

* * * * *

■ 4. Effective July 1, 2025, revise part 121 to read as follows:

PART 121—SERVICE STANDARDS FOR MARKET-DOMINANT MAIL PRODUCTS

§ 121.0 Market-Dominant Product Service Standards.

§ 121.1 First-Class Mail.

§ 121.2 Periodicals.

§ 121.3 USPS Marketing Mail.

§ 121.4 Package Services.

Appendix A to Part 121—Tables Depicting Service Standard Day Ranges

PART 121—SERVICE STANDARDS FOR MARKET-DOMINANT MAIL PRODUCTS

§ 121.0 Market-Dominant Product Service Standards.

Service standards in this part are contingent upon proper acceptance before the applicable day-zero Critical Entry Time (CET). Applying the service standards appearing in this part, effective service standards for combinations of 5-digit originating ZIP Codes and 5-digit destinating ZIP Codes can be found in a lookup table at www.usps.com.

§ 121.1 First-Class Mail.

(a) *Service Standards Based on Delivery Legs Within the Contiguous 48 States.* Except as specified in paragraph (b) of this section, service standards for domestic First-Class Mail, whose origin and destination are within the contiguous 48 states, are calculated as the sum of service expectation days between 5-digit ZIP Code pairs, accruing across three successive legs as follows:

(1) *Leg 1.* Unless an exception applies due to operational or business considerations, for this leg:

(i) One service expectation day is added to First-Class Mail (excluding eligible Presort First-Class Mail) originating in a 5-digit ZIP Code when a facility from which mail is dispatched for the originating 5-digit ZIP Code is over 50 miles in driving distance from the originating Regional Processing and Distribution Center or Campus (RPDC); and

(ii) Zero service expectation days are added for all other First-Class Mail, including Single-Piece First-Class Mail when no facility from which mail is dispatched for the originating 5-digit

ZIP Code is over 50 miles in driving distance from the originating RPDC, and including eligible Presort First-Class Mail.

(2) *Leg 2.* (i) Two service expectation days are added to First-Class Mail if the combined drive time between the originating RPDC, the destinating RPDC, and the destinating Local Processing Center (LPC) is 7 hours or less;

(ii) Three service expectation days are added to First-Class Mail if the combined drive time between the originating RPDC, the destinating RPDC, and the destinating LPC is more than 7 hours and not more than 24 hours;

(iii) Four service expectation days are added to First-Class Mail pieces if the combined drive time between the originating RPDC, the destinating RPDC, and the destinating LPC is more than 24 hours and not more than 45 hours; and

(iv) Five service expectation days are added to all remaining First-Class Mail pieces, except that four days are added to any such First-Class Mail for which a day is added under Leg 1.

(3) *Leg 3.* No service expectation days are added in Leg 3.

(b) *Exceptions to Service Standards Based on Delivery Legs Within the Contiguous 48 States.* (1) A same-day service standard applies to USPS Connect® Local Mail pieces accepted at participating Destination Delivery Units, and a one-day service standard applies to all other pieces accepted as USPS Connect® Local Mail.

(2) A one-day service standard applies to eligible intra-LPC Presort First-Class Mail pieces accepted at the LPC.

(3) For First-Class Mail that is not USPS Connect® Local Mail, with respect to “turnaround” service for pieces originating and destinating within the same RPDC service area or within the same LPC service area for certain qualifying LPCs (designated by the Postal Service based on operational considerations such as an LPC’s distance from its servicing RPDC and volume processed at the LPC):

(i) A two-day service standard applies to:

(A) Eligible Presort First-Class Mail that is not eligible for a one-day service standard under paragraph (b)(2) of this section and that originates and destines in the same RPDC service area; and

(B) Single-Piece First-Class Mail originating in a 5-digit ZIP Code when no facility from which mail is dispatched for the originating 5-digit ZIP Code is over 50 miles in driving distance of the originating RPDC or qualifying LPC and destines within the same RPDC’s or qualifying LPC’s service area.

(ii) A three-day service standard applies to Single-Piece First-Class Mail originating in a 5-digit ZIP Code when a facility from which mail is dispatched for the originating 5-digit ZIP Code is over 50 miles in driving distance of the originating RPDC or qualifying LPC and destines within the same RPDC’s or qualifying LPC’s service area.

(c) *Service Standards for Domestic First-Class Mail Originating and/or Destinating in Locations Outside of the Contiguous 48 States.* (1) A same-day service standard applies to USPS Connect® Local Mail pieces accepted at participating Destination Delivery Units.

(2) Except as provided in paragraph (c)(3) of this section, a one-day service standard applies to:

(i) Eligible intra-LPC Presort First-Class Mail pieces accepted at the LPC, whose origin and destination are outside the contiguous 48 states; and

(ii) All other pieces accepted as USPS Connect® Local Mail.

(3) A two-day service standard applies to:

(i) Eligible Presort First-Class Mail that originates in Puerto Rico and destines in the U.S. Virgin Islands, or vice versa;

(ii) Eligible intra-LPC Presort First-Class Mail with an origin or destination that is in American Samoa or one of the following 3-digit ZIP Code areas in Alaska (or designated portions thereof): 995 (5-digit ZIP Codes 99540 through 99599), 996, 997, 998, and 999; and

(iii) Other intra-LPC First-Class Mail pieces whose origin and destination are outside the contiguous 48 states, including any other intra-LPC Presort pieces that are not eligible for a one-day service standard.

(4) A four-day service standard applies to First-Class Mail pieces if the same-day, one-day, or two-day service standards do not apply and:

(i) The origin is in the 006, 007, or 009 3-digit ZIP Code areas in Puerto Rico, and the destination is in the contiguous 48 states;

(ii) The origin is in Hawai‘i, and the destination is in Guam, or vice versa;

(iii) The origin is in Hawai‘i, and the destination is in American Samoa, or vice versa;

(iv) Both the origin and destination are within Alaska; or

(v) Such mail originates in a 5-digit ZIP Code where no facility from which mail is dispatched for that 5-digit ZIP Code is over 50 miles of driving distance from its originating RPDC, and the origin is in the contiguous 48 states and the destination is in the city of Anchorage, Alaska (5-digit ZIP Codes 99501 through 99539), the 968 3-digit ZIP Code area in Hawai‘i, or the 006,

007, or 009 3-digit ZIP Code areas in Puerto Rico.

(5) A five-day service standard applies to all remaining domestic First-Class Mail pieces originating and/or destinating outside the contiguous 48 states.

(d) *Service Standards for International First-Class Mail.* (1) The service standard for Outbound Single-Piece First-Class Mail International® pieces is equivalent to the service standard for domestic Single-Piece First-Class Mail pieces originating from the same 5-digit ZIP Code area and destined to the 5-digit ZIP Code area in which the designated International Service Center, or its functional equivalent, is located.

(2) The service standard for Inbound Letter Post pieces from the first USPS scan is equivalent to the service standard for domestic Single-Piece First-Class Mail pieces destined to the same 5-digit ZIP Code area and originating from the 5-digit ZIP Code area in which the applicable International Service Center, or its functional equivalent, is located.

§ 121.2 Periodicals.

(a) *End-to-End.* (1) Except as provided in paragraph (a)(2) of this section, a 3- to 6-day service standard applies to end-to-end Periodicals pieces, with the standard generally equaling the sum of one day plus the applicable Single-Piece First-Class Mail (FCM) service standard (disregarding standards for USPS Connect® Local FCM and for intra-Local Processing Center “turnaround” service).

(2) For certain end-to-end Periodicals pieces originating and/or destinating outside the contiguous 48 states, a 10- to 27-day service standard applies, with the standard generally equaling the sum of 3 to 6 days plus the number of additional days (from 7 to 21) for which certain intermodal (e.g., highway, boat, air-taxi) transportation is utilized.

(b) *Destination Entry—(1) Destination Delivery Unit (DDU) Entered Mail.* A 1-day (overnight) service standard applies to Periodicals pieces that qualify for a DDU rate.

(2) *Destination Local Processing Center (DLPC) Entered Mail.* (i) A 1-day (overnight) service standard applies to Periodicals pieces that qualify for a DLPC (or analogous legacy) rate, except for mail entered in Puerto Rico and destined to the U.S. Virgin Islands, mail destined to American Samoa, and mail destined to the following 3-digit ZIP Code areas in Alaska (or designated portions thereof): 995 (5-digit ZIP Codes 99540 through 99599), 996, 997, 998, and 999;

(ii) A 3-day service standard applies to Periodicals pieces that qualify for a DLPC (or analogous legacy) rate, if they are entered in Puerto Rico and destined to the U.S. Virgin Islands, or if they are destined to the following 3-digit ZIP Code areas in Alaska (or designated portions thereof): 995 (5-digit ZIP Codes 99540 through 99599), 996, 997, 998, and 999.

(iii) A 4-day service standard applies to Periodicals pieces that qualify for a DLPC (or analogous legacy) rate if they are destined to American Samoa.

(3) *Destination Regional Processing and Distribution Center or Campus (DRPDC) Entered Mail.* (i) A 2-day service standard applies to Periodicals pieces that qualify for a DRPDC (or analogous legacy) rate, are entered in the contiguous 48 states, and are destined within the contiguous 48 states; and

(ii) An 8- to 10-day service standard applies to Periodicals pieces that qualify for a DRPDC (or analogous legacy) rate, are entered in the contiguous 48 states, and are destined outside the contiguous 48 states, with the specific standard being based on the number of days required for transportation outside the contiguous 48 states.

§ 121.3 USPS Marketing Mail.

(a) *End-to-End.* (1) Except as provided in paragraph (a)(2) of this section, a 4- to 7-day service standard applies to end-to-end USPS Marketing Mail pieces, with the standard generally equaling the sum of 2 days plus the applicable Single-Piece First-Class Mail (FCM) service standard (disregarding standards for USPS Connect® Local FCM and for intra-Local Processing Center (LPC) “turnaround” service).

(2) For certain end-to-end USPS Marketing Mail pieces originating and/or destinating outside the contiguous 48 states, an 11- to 28-day service standard applies, with the standard generally equaling the sum of 4 to 7 days plus the number of additional days (from 7 to 21) for which certain intermodal (e.g., highway, boat, air-taxi) transportation is utilized.

(b) *Destination Entry.* (1) USPS Marketing Mail pieces that qualify for a Destination Delivery Unit (DDU) rate have a 2-day service standard.

(2) USPS Marketing Mail pieces that qualify for a Destination Local Processing Center (DLPC) (or analogous legacy) rate have a 3-day service standard when accepted on Sunday through Thursday and a 4-day service standard when accepted on Friday or Saturday, except for mail dropped at the LPC in the territory of Puerto Rico and destined to the territory of the U.S.

Virgin Islands, or mail destined to American Samoa.

(3) USPS Marketing Mail pieces that qualify for a DLPC (or analogous legacy) rate and that are entered in the territory of Puerto Rico and destined to the territory of the U.S. Virgin Islands, or that are destined to American Samoa, have a 4-day service standard when accepted on Sunday through Thursday and a 5-day service standard when accepted on Friday or Saturday.

(4) USPS Marketing Mail pieces that qualify for a Destination Regional Processing and Distribution Center or Campus (DRPDC) (or analogous legacy) rate have a 5-day service standard, if both the origin and the destination are in the contiguous 48 states.

(5) USPS Marketing Mail pieces that qualify for a DRPDC (or analogous legacy) rate, and that are entered in the contiguous 48 states for delivery to addresses in the states of Alaska or Hawaii or the territories of Guam, American Samoa, Puerto Rico, or the U.S. Virgin Islands, have a service standard of 12–14 days, depending on the 3-digit origin-destination ZIP Code pair. For each such pair, the applicable day within the range is based on the number of days required for transportation outside the contiguous 48 states.

§ 121.4 Package Services.

(a) *End-to-End.* (1) Except as provided in paragraph (a)(2) of this section, a 4- to 7-day service standard applies to end-to-end Package Services pieces, with the standard generally equaling the sum of 2 days plus the applicable Single-Piece First-Class Mail (FCM) service standard (disregarding standards for USPS Connect® Local FCM and for intra-Local Processing Center “turnaround” service) after adding 5–9 hours to the applicable driving time bands of Leg 2 for FCM, as applied to specific 5-digit origin-destination pairs in the table cited in section 121.0.

(2) For certain end-to-end Package Services pieces originating and/or destinating outside the contiguous 48 states, an 11- to 29-day service standard applies, with the standard generally equaling the sum of 4 to 7 days plus the number of additional days (from 7 to 22) for which certain intermodal (e.g., highway, boat, air-taxi) transportation is utilized.

(b) *Destination Entry.* (1) Package Services mail that qualifies for a Destination Delivery Unit (DDU) rate has a 1-day (overnight) service standard.

(2) Package Services mail that qualifies for a Destination Local Processing Center (DLPC) (or analogous legacy) rate has a 2-day service

standard, except for mail that is destined to either American Samoa or the U.S. Virgin Islands.

(3) Package Services mail that qualifies for a DLPC rate, and that is destined to either American Samoa or the U.S. Virgin Islands, has a 3-day service standard.

(4) Package Services mail that qualifies for a Destination Regional Processing and Distribution Center or Campus (DRPDC) (or analogous legacy) rate, and that originates and destines in the contiguous 48 states, has a 3-day service standard.

(5) Package Services mail that qualifies for a DRPDC (or analogous legacy) rate, and that is entered in the contiguous 48 states for delivery to

addresses in the states of Alaska or Hawaii, or the territories of Guam, American Samoa, Puerto Rico, or the U.S. Virgin Islands, has a service standard of either 11 or 12 days, depending on the 3-digit ZIP Code origin-destination pair. For each such pair, the applicable day within the range is based on the number of days required for transportation outside the contiguous 48 states.

Appendix A to Part 121—Tables Depicting Service Standard Day Ranges

The following tables reflect the service standard day ranges resulting from the application of the business rules applicable to the market-dominant mail products referenced in §§ 121.0 through 121.4 (for purposes of part 121, references to the

contiguous states or the contiguous 48 states also include the District of Columbia);

Table 1. End-to-end service standard day ranges for mail originating and destinating within the contiguous 48 states and the District of Columbia.

**TABLE 1—END-TO-END SERVICE
WITHIN CONTIGUOUS STATES**

Mail class	End-to-end range (days)
First-Class Mail	0–5
Periodicals	3–6
USPS Marketing Mail	4–7
Package Services	4–7

Table 2. End-to-end service standard day ranges for mail originating and/or destinating in non-contiguous states and territories.

TABLE 2—END-TO-END SERVICE TO AND/OR FROM NON-CONTIGUOUS STATES AND TERRITORIES

Mail class	End-to-end range (days)	
	Intra-state/territory	Inter-state/territory
First-Class Mail	0–5	2–5
Periodicals	3–6	3–27
USPS Marketing Mail	4–7	4–28
Package Services	* 4–7	4–29

* Excluding bypass mail.

Table 3. Destination-entry service standard day ranges for mail to the contiguous 48 states and the District of Columbia.

TABLE 3—DESTINATION ENTRY SERVICE TO CONTIGUOUS STATES

Mail class	Contiguous states		
	Destination entry (at appropriate facility) range (days)		
	* DDU	* DLPC	* DRPDC
Periodicals	1	1	2
USPS Marketing Mail	2	3–4	5
Package Services	1	2	3

* DDU = Destination Delivery Unit; DLPC = Destination Local Processing Center; DRPDC = Destination Regional Processing and Distribution Center or Campus.

Table 4. Destination entry service standard day ranges for mail to non-contiguous states and territories.

TABLE 4—DESTINATION ENTRY SERVICE TO NON-CONTIGUOUS STATES AND TERRITORIES

Mail class	Destination entry (at appropriate facility)						
	* DDU range (days)	* DLPC range (days)			* DRPDC range (days)		
		Alaska	** Hawai'i, Guam, NMI, & AS	** PR & USVI	Alaska	Hawai'i, Guam, NMI, & AS	PR & USVI
Periodicals	1	1–3	1–4	1–3	10–11	10	8–10
USPS Marketing Mail	2	3–4	3–5	3–5	14	13	12
Package Services	1	2	2–3	2–3	12	11	11

* DDU = Destination Delivery Unit; DLPC = Destination Local Processing Center; DRPDC = Destination Regional Processing and Distribution Center or Campus.

** AS = American Samoa; NMI = Northern Mariana Islands; PR = Puerto Rico; USVI = United States Virgin Islands.

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA–R02–OAR–2024–0573; FRL–12459–02–R2]

Air Plan Approval; New Jersey; Permits and Certificates for Minor Facilities (and Major Facilities Without an Operating Permit), and Air Emission Control and Permitting Exemptions

AGENCY: Environmental Protection Agency (EPA).

ACTION: Final rule.

SUMMARY: The Environmental Protection Agency (EPA) is approving a revision to New Jersey’s State Implementation Plan (SIP), submitted by the New Jersey Department of Environmental Protection (NJDEP), for the purposes of incorporating regulations concerning permits and certificates for minor source facilities, and major source facilities without an operating permit. The intended effect of the NJDEP’s revisions to the SIP is to regulate the construction and modification of stationary sources with adequate requirements to ensure that the National Ambient Air Quality Standards (NAAQS) are satisfied. The NJDEP’s revisions will strengthen the SIP by updating the Federal air permitting program to conform with the State regulations that were in effect at the time of the SIP submission, which will ultimately better serve the regulated community and help to protect the quality of air in the State. The EPA proposed to approve this rule on December 17, 2024, and received no comments.

DATES: This final rule is effective on March 31, 2025.

ADDRESSES: The EPA has established a docket for this action under Docket ID Number EPA–R02–OAR–2024–0573. All documents in the docket are listed on the <https://www.regulations.gov> website. Although listed in the index, some information is not publicly available, *e.g.*, Controlled Unclassified Information (CUI) (formally referred to as Confidential Business Information (CBI)) or other information whose disclosure is restricted by statute. Certain other material, such as copyrighted material, is not placed on the internet and will be publicly available only in hard copy form.

Publicly available docket materials are available electronically through <https://www.regulations.gov>.

FOR FURTHER INFORMATION CONTACT: Nicholas Ferreira, Air Programs Branch, Environmental Protection Agency, Region 2, 290 Broadway, 25th Floor, New York, New York 10007–1866, (212) 637–3127, or by email at ferreira.nicholas@epa.gov.

SUPPLEMENTARY INFORMATION:

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- II. What comments were received in response to the EPA’s proposed action?
- III. What action is the EPA taking?
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I. What is the background for this action?

On December 17, 2024, the EPA published a Notice of Proposed Rulemaking that proposed to approve SIP revisions submitted by the State of New Jersey, through the NJDEP, on February 24, 2014, and August 23, 2018 (*see* 89 FR 102034).¹ New Jersey’s revisions consisted of new provisions and amendments to New Jersey Administrative Code (*i.e.*, N.J.A.C.), Title 7, Chapter 27 (*i.e.*, 7:27), subchapter 8, “Permits and Certificates for minor facilities (and major facilities without an operating permit)” (hereinafter referred to as “subchapter 8”). The last major EPA approval of subchapter 8 into the New Jersey SIP occurred in 1986. The EPA approved additional amendments to subchapter 8, made by the NJDEP, into New Jersey’s SIP in 1994, 1997, and 2023. Therefore, the NJDEP’s 2014 and 2018 submittals are intended to strengthen New Jersey’s SIP by conforming it with the subchapter 8 State regulations that the State had in effect at the time of submission to the EPA.

Section 110(a)(2)(C) of the Clean Air Act (CAA) requires States to include in their SIPs, programs that regulate the construction and modification of stationary sources with adequate requirements to ensure that the NAAQS are achieved. New Jersey submitted the February 24, 2014, and August 23, 2018, SIP revisions to fulfill this requirement of the CAA as it applies to minor stationary sources, and major source facilities without an operating permit.

Under section 110(a) of the CAA, SIP rules must be enforceable, and the EPA must not approve a revision that interferes with any applicable

requirement concerning attainment and reasonable further progress (*see* CAA section 110(l)). The EPA evaluates minor new source review programs included as SIP submittals based on the criteria in subpart I of 40 CFR part 51 and new major sources and major modifications under 40 CFR 51.165 and 51.166 and part C and D of title I of the CAA. The EPA has determined that the rule revisions that New Jersey submitted, are mostly consistent with the relevant policy and guidance regarding the enforceability of the revisions. Additionally, the EPA has determined that the rule revisions comply with the requirement under CAA section 110(l), that the EPA may not approve a revision that could interfere with any applicable requirement concerning attainment and reasonable further progress and meet the criteria in subpart I of 40 CFR 51.160 through 51.164.

Therefore, apart from five odor provisions² and one affirmative defense provision,³ the EPA is finalizing its approval of New Jersey’s SIP strengthening amendments. The specific details of New Jersey’s SIP submittals and the rationale for the EPA’s approval action are explained in Section II. “Summary of the SIP revision and the EPA’s Analysis,” of the EPA’s proposed rulemaking and are not restated in this final action. For this detailed information, the reader is referred to the EPA’s December 17, 2024, proposed rulemaking (89 FR 102034).

II. What comments were received in response to the EPA’s proposed action?

The EPA provided a 30-day review and comment period for the December 17, 2024, proposed rulemaking. The comment period ended on January 16, 2025, and the EPA received no comments on the proposed action; therefore, this action is being finalized as the EPA proposed.

III. What action is the EPA taking?

The EPA is approving New Jersey’s revisions to N.J.A.C. 7:27–8, “Permits and Certificates for Minor Facilities (and Major Facilities without an Operating Permit),” which will incorporate regulations under N.J.A.C. 7:27 8.2 through 8.28 (except for five odor provisions and one affirmative defense

² The NJDEP acknowledged within the February 24, 2014, cover letter that was included with its SIP submittal to the EPA, that these provisions would not be incorporated by the EPA into the federally enforceable SIP.

³ On October 7, 2024, via official letter, the NJDEP formally requested to withdraw the affirmative defense provision at N.J.A.C. 7:27–8.3(n) from its February 24, 2014, and August 23, 2018, submittals to the EPA.

¹ The revisions submitted on February 24, 2014, and August 23, 2018, became State effective on September 19, 2011, and January 16, 2018, respectively.