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U.S. POSTAL SERVICE

Few Differences in On-Time Performance between Rural and Urban Areas

Accessible Version

GAO Highlights

Highlights of [GAO-23-105169](#), a report to the Honorable Margaret Wood Hassan, U.S. Senate

Why GAO Did This Study

USPS provides postal services across the U.S., including in rural areas, as part of its mission to provide universal postal service. USPS has faced financial difficulties in meeting that mission. Accordingly, USPS's financial viability has been on GAO's [High Risk List](#) since 2009. USPS has recently made operational changes to try to restore its financial self-sufficiency.

GAO was asked to review on-time service performance and the impact of USPS's operational changes in rural areas. This report describes (1) the extent that USPS's on-time service performance for mail and packages differs between rural and urban areas and (2) how USPS assesses the effect of operational changes on rural areas before and after making such changes.

GAO analyzed USPS on-time performance data from October 2020 through December 2021 (the most recent data available that include two holiday periods) for USPS's four largest mail types by volume. GAO also reviewed USPS and Postal Regulatory Commission documentation. In addition, GAO reviewed two of USPS's recent service standard changes that increased the number of days to deliver First-Class Mail and some packages and three operational procedure changes on work hours, rural routes, and facility consolidation. GAO also interviewed USPS officials and selected mailing industry and postal union representatives identified from prior work or their public statements on postal services.

View [GAO-23-105169](#). For more information, contact Catina B. Latham, (202)-512-2834, lathamc@gao.gov

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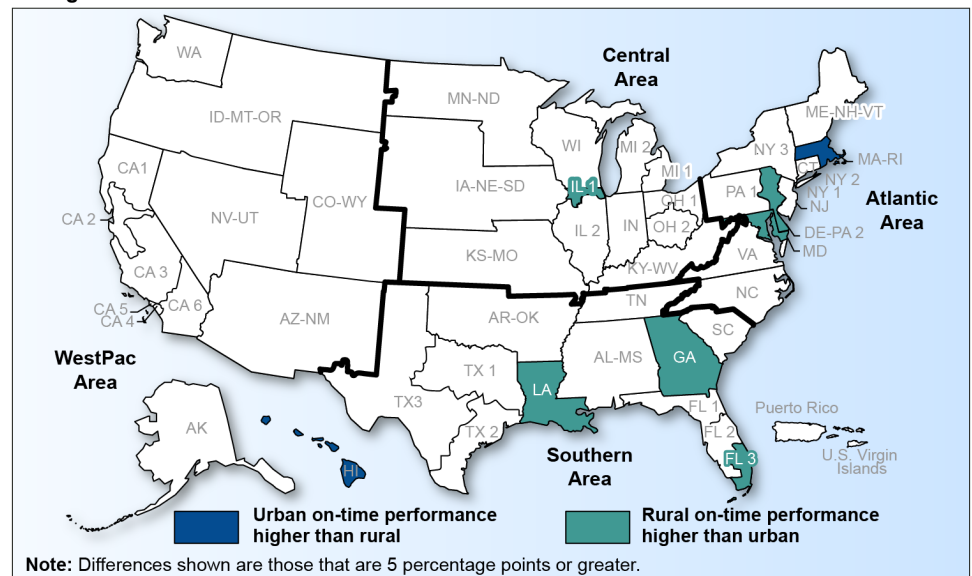
U.S. POSTAL SERVICE

Few Differences in On-Time Performance between Rural and Urban Areas

What GAO Found

USPS had few statistically significant differences that were 5 or more percentage points in on-time service performance between rural and urban areas for First-Class Mail, Marketing Mail, Periodicals, and most packages (the four largest USPS mail products by volume). GAO found that eight of 50 districts had significant differences that were 5 or more percentage points between urban and rural areas for Periodicals, which includes newspapers and magazines (see figure below). Some of these differences favored urban areas; others favored rural areas. In one of those eight districts (the Hawaii district), GAO also found statistically significant differences that were 5 or more percentage points for First-Class Mail and Marketing Mail, all of which favored urban areas.

U.S. Postal Service (USPS) Districts with Differences of 5 Percentage Points or More in On-Time Service Performance between Rural and Urban Areas for Periodicals, October 2020 through December 2021



Source: GAO analysis of USPS data. | GAO-23-105169

According to USPS documents and officials, USPS assesses the effects of selected changes through analysis, stakeholder input, and monitoring. For the two service standard changes GAO reviewed that were implemented in October 2021 and May 2022, USPS sought and analyzed stakeholder input on potential rural effects beforehand. Since implementation, USPS has not monitored effects on rural areas, although it continues to monitor service performance overall. For the three selected operational procedure changes implemented between August and November 2021, USPS reviewed each through analysis and stakeholder outreach nationwide before implementation started. Since implementation, USPS continued monitoring overall service performance, but did not specifically assess the effects on rural areas. Given that the many concurrent changes USPS is implementing may have evolving effects, the extent to which the changes affect rural areas in the future is unknown and warrants additional review.

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Abbreviations

AMP	area mail processing
NRLC	National Rural Letter Carriers Association
OIG	U.S. Postal Service Office of Inspector General
PRC	Postal Regulatory Commission
UPS	United Parcel Service
USPS	U.S. Postal Service

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January 12, 2023

The Honorable Margaret Wood Hassan
United States Senate

Dear Senator Hassan:

The U.S. Postal Service (USPS) has a widespread rural presence with over 30 percent of its delivery points and over one-third of its total delivery routes in rural areas.¹ Postal service is important to residents living in rural areas because they may not have alternatives to send and receive mail and packages. USPS is required by federal statute to provide universal postal service, including a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining.²

USPS has long faced financial challenges in meeting its universal postal service mission. Specifically, it cannot fund its current level of services and financial obligations from its revenues. As a result, USPS's financial viability has been on GAO's High Risk List since 2009.³ USPS has recently made changes to its operations, including changes to mail delivery service standards, to try to restore its financial self-sufficiency.

USPS's implementation of past operational changes have led to concerns about or have negatively impacted the timeliness of mail delivery (also known as "on-time service performance"). For example, we reported in 2015 that operational changes USPS made in 2012 and 2013 led to concerns that rural areas were facing declining on-time service performance.⁴ As a result, we proposed that Congress consider directing

¹We used the U.S. Census' Bureau's definition of rural and urban areas throughout this report. USPS applied the Census Bureau's definitions to USPS's ZIP code plus four-digit level to determine whether or not an address is in a rural or urban area. More information about our methodology for this report can be found in appendix I.

²See 39 U.S.C. § 101(a)–(b).

³GAO, *High-Risk Series: Dedicated Leadership Needed to Address Limited Progress in Most High-Risk Areas*, [GAO-21-119SP](#) (Washington D.C.: Mar. 2, 2021).

⁴GAO, *U.S. Postal Service: Actions Needed to Make Delivery Performance Information More Complete, Useful, and Transparent*, [GAO-15-756](#) (Washington, D.C.: Sept. 30, 2015).

USPS to provide cost estimates related to providing delivery performance information for rural and urban areas. The Postal Service Reform Act of 2022, which was enacted in April 2022, required USPS to develop and maintain a delivery performance dashboard that can allow users to search for performance information for market-dominant products by ZIP code and addresses. This step could provide more information about rural and urban on-time service performance. In 2020, the USPS Office of Inspector General (OIG) reported that USPS had implemented operational changes in July and August 2020 without analyzing likely on-time service performance impacts, and that decisions about these changes lacked consistent internal communications. The OIG found that these operational changes resulted in a significant drop in the quality and timeliness of mail delivery.⁵

You requested we review on-time service performance in rural and urban areas and the impact of USPS's operational changes on rural on-time service performance. This report describes:

- the extent that USPS's on-time service performance for mail and packages differs between rural and urban areas, and
- how USPS assesses the effect of operational changes on rural areas before or after making such changes.

To determine the extent of any differences in USPS on-time service performance for mail and packages between rural and urban areas, we analyzed USPS on-time service performance data for domestic mail from October 2020 through December 2021, the most recent data available that allowed us to analyze data for two holiday periods when USPS traditionally sees high mail volume. Using data from USPS, we compared the percentage of mail delivered within USPS service delivery standards for rural and urban areas to determine if there were any differences between the two areas.⁶ Because the microdata needed to calculate

⁵USPS Office of Inspector General, *Deployment of Operational Changes*, (Arlington, VA: Nov. 6, 2020). The USPS OIG made five recommendations in this report, such as USPS should suspend its implementation of operational changes until an analysis of service performance impacts of these changes was complete. USPS officials stated that they disagreed with the OIG's findings but were working to respond to the OIG's recommendations.

⁶According to USPS officials, USPS applies the U.S. Census Bureau's definition of "rural" and "urban" areas to its on-time service performance data, based on the destination of a mail piece.

standard errors and tabulated standard errors were not available, we used available data—the maximum expected levels of precision by mail type—to estimate the extent to which differences in on-time mail across rural and urban areas would be sufficiently large enough to be statistically significant at the 95 percent confidence level. We determined that differences in on-time service performance of 5 percentage points or more would be statistically significant.

We performed this analysis for four categories of mail products that comprise over 99 percent of the mail volume that USPS processes. These categories were: First-Class Mail, Marketing Mail, Periodicals, and competitive products.⁷ We analyzed the total volume of mail included in performance measurement; the volume of mail that was excluded from performance measurement; and the volume of included mail that failed to meet USPS on-time standards by mail product, postal district, rural or urban area, and quarter.⁸ We assessed the reliability of USPS's on-time service performance data and found the data to be reliable for the purposes of considering on-time service performance differences between rural and urban areas. We also interviewed USPS officials to obtain their views on the differences we found in on-time service performance between rural and urban areas.

To determine how USPS assessed the effect of its operational changes on rural areas, we reviewed USPS documentation and interviewed USPS officials on how they identify, implement and monitor the effect of on-time

⁷We also considered performing this analysis for a fifth category of mail that—for the purposes of this report—we refer to as “market-dominant packages”. This category includes certain specific types of packages such as media mail (books) and library mail (mail sent between libraries) and accounted for less than 0.5 percent of the mail volume for the period of our analysis. However, we found that the percentage of mail excluded from performance measurement for this product category was higher than 50 percent, and therefore not sufficiently reliable for our analysis.

⁸According to a 2019 USPS OIG report, there are several reasons why mail may be excluded from performance measurement, such as mail pieces missing scanning data. (USPS Office of Inspector General, *Mail Excluded from Service Performance Measurement*, (Arlington, VA) Dec. 13, 2019). USPS officials told us that these reasons are not related to on-time performance.

service performance standard and operational procedure changes.⁹ We selected two of USPS's recent changes to its on-time service performance standards for our analysis. We also compiled a list of USPS's operational procedure changes made since 2017 by reviewing USPS documentation. From this list, we selected a judgmental sample of three operational changes that we considered to be more likely to affect rural areas: (1) Rural Performance Management; (2) Rural Route Optimization; and, (3) Mail Moves/Facility Consolidation. We reviewed USPS and Postal Regulatory Commission (PRC) documentation, federal statutes, and regulations to identify USPS's processes for formulating, implementing, and monitoring changes.¹⁰ We also interviewed a non-generalizable selection of rural postal stakeholders on their interactions with USPS regarding these changes. The stakeholders we selected included: PRC, two postal unions and associations, two associations of commercial mailers and two rural community public interest groups. We identified those stakeholders from our prior work and public statements made by those groups on their websites on postal service in rural areas.

We conducted this performance audit from April 2021 to January 2023 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

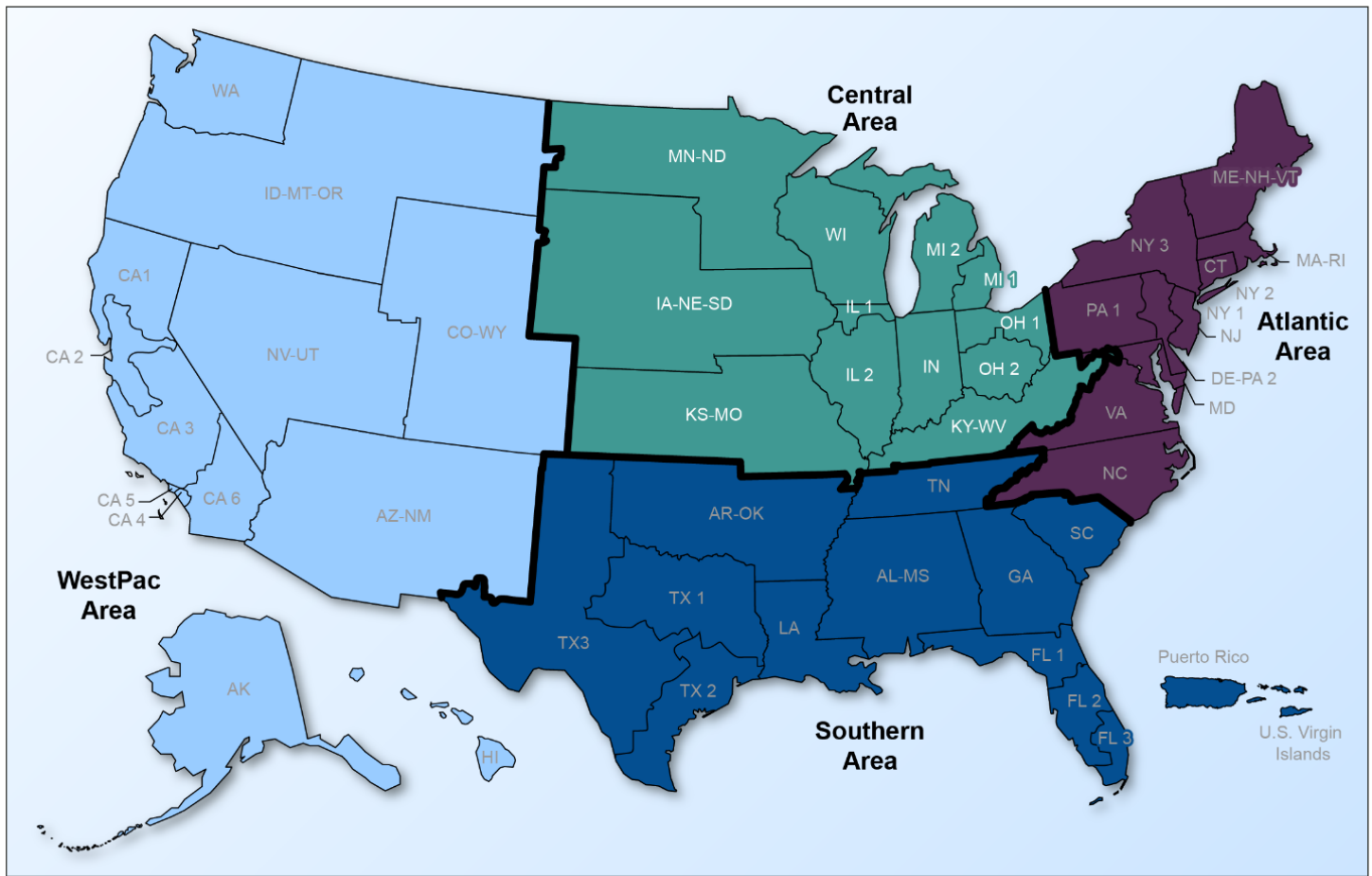
⁹For the purposes of this review, we defined "operational change" as a USPS-wide change that affects USPS's mail delivery operations that could result in a change in on-time service performance, such as a change in service standards or an operational procedure change such as a change in mail transportation modes or an increased adherence to existing mail transportation schedules. These types of changes have been documented in USPS's annual reports, financial reports, or other internal documents and in USPS OIG reports.

¹⁰PRC is an independent establishment of the executive branch responsible for regulating USPS. Under 39 U.S.C. § 3653, PRC is required to make an annual determination of USPS's compliance with service standards and rate requirements. If PRC finds noncompliance, it is required to order USPS to take appropriate actions to achieve compliance and to remedy the effects of noncompliance.

Background

Delivery Network and Mail Products. USPS organizes its national retail and mail delivery network into four areas and 50 districts (see fig. 1).

Figure 1: Map of U.S. Postal Service (USPS) Retail and Mail Delivery Areas and Districts



Source: GAO analysis of USPS data. | GAO-23-105169

Note: the 50 districts in the map are a subset of the four areas.

USPS has two main categories of mail products—market-dominant and competitive—that vary in terms of volume, profitability, and pricing:

- *Market-dominant products*—which include mail categories such as First-Class Mail, Marketing Mail, Periodicals, and some types of packages—account for over 90 percent of USPS’s mail volume (see

fig. 2) and over half of USPS's revenue.¹¹ USPS is limited in its ability to raise prices for market-dominant products.¹²

- First-Class Mail—letters, cards, flats, bills, and invoices that weigh 13 ounces or less. Postage is fixed regardless of the domestic destination;
- Marketing Mail—flyers, circulars, advertising, and newsletters that weigh less than 16 ounces, and with a minimum quantity of 200 pieces or 50 pounds of mail;
- Periodicals—newspapers, magazines, and other periodical publications sent to a list of subscribers, and published at least four times per year;
- Market-dominant packages¹³—includes packages such as directories, bound advertising and promotional materials, books, film, sound recordings, and educational and research materials sent by libraries and research institutions.
- *Competitive products*—which consist of mostly packages but also of other mail categories such as express letters—is for those items for which USPS competes with other package delivery companies, such as United Parcel Service (UPS) and FedEx, on pricing and service.¹⁴

¹¹USPS's market-dominant products are those for which it has a statutory monopoly or provides a large share of the product with limited competition. Such market dominance in an unregulated market would likely enable a firm to exercise market power through the setting of price above costs without the risk of losing a significant level of business to other firms offering similar products.

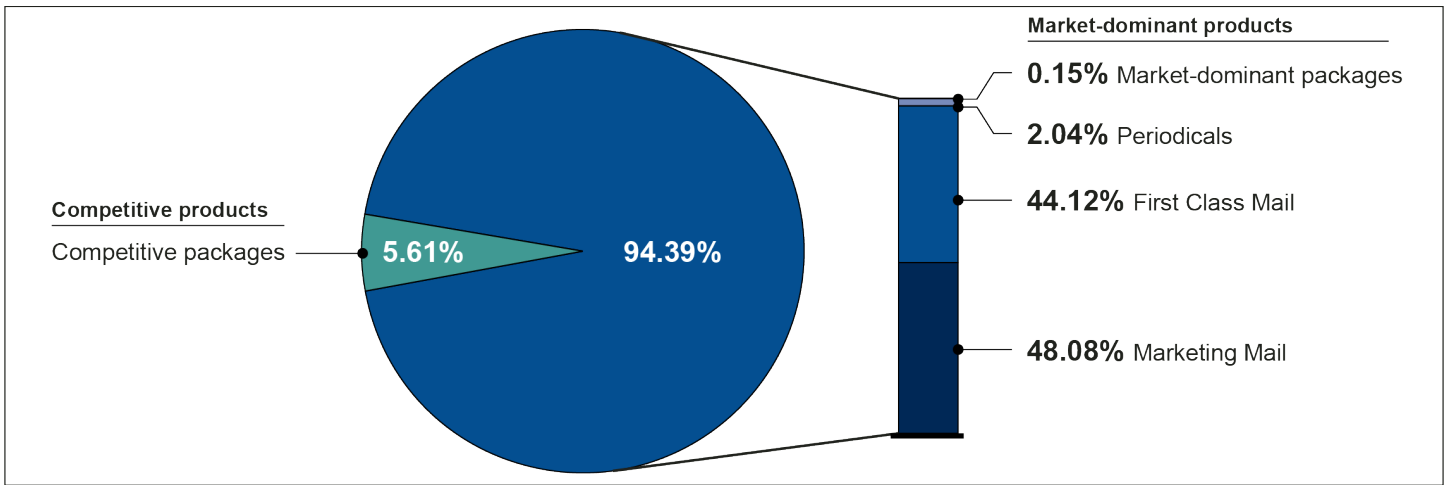
¹²Price increases for market-dominant products are generally subject to a price cap based on the Consumer Price Index for All Urban Consumers (CPI-U). USPS's Governors establish the prices for market-dominant services, subject to a review process by the Postal Regulatory Commission (PRC) for compliance with requirements such as the price cap. PRC modified USPS's price cap for market-dominant products in November 2020, thereby providing USPS with additional rate adjustment authority. POSTAL REGULATORY COMMISSION, Order No. 5763, Docket No. RM2017-3 (Nov. 30, 2020).

¹³USPS refers to this category of mail as "Package Services." For the purposes of this report, we refer to this category of mail as "Market-dominant packages" to help make a clear distinction between these packages and competitive packages.

¹⁴Competitive products—which include Priority Mail, Priority Mail Express, First-Class Package Service, Retail Ground, Parcel Select and Parcel Return Service, and some types of international mail—are those for which USPS has greater pricing flexibility than compared to market-dominant products. Specifically, USPS is not limited by a price cap formula when setting prices for competitive products. Most of the packages that USPS delivers are competitive products.

USPS is required to price these products to at least cover their attributable costs.¹⁵

Figure 2: Percentage of U.S. Postal Service (USPS) Total Mail Volume by Product Type, Fiscal Year 2021 Quarter 1 through Fiscal Year 2022 Quarter 1



Source: GAO analysis of USPS data. | GAO-23-105169

Accessible Data for Figure 2: Percentage of U.S. Postal Service (USPS) Total Mail Volume by Product Type, Fiscal Year 2021 Quarter 1 through Fiscal Year 2022 Quarter 1

Category	Subcategory	Percentage
Competitive products	Competitive packages	5.61%
Market-dominant products	Market-dominant packages	0.15%
Market-dominant products	Periodicals	2.04%
Market-dominant products	First Class Mail	44.12%
Market-dominant products	Marketing Mail	48.08%

Notes: Mail volume used in this figure reflects only pieces that are in service performance measurement and do not reflect the total volume that USPS process and delivers. Market-dominant Packages are included in this figure, but are not included in our analysis of on-time performance.

¹⁵Prices for competitive products are set by USPS’s Governors and reviewed by PRC for compliance with applicable requirements. As directed by statute, PRC regulations require that each competitive product cover its “attributable costs” (meaning USPS’s direct and indirect costs deemed attributable to the products through reliably identified, causal relationships) and competitive products collectively must cover an appropriate share of USPS’s institutional costs, which was 9.1 percent for fiscal year 2021, as determined according to a PRC-prescribed formula. Moreover, market-dominant products are prohibited from subsidizing competitive products.

Service Standards and Performance Targets. USPS sets its own service standards to assess the extent it is meeting its timely mail delivery mission. Service standards for each mail product establish how many days it should take for a piece of mail to be delivered. These standards vary based on the mail product and the distance from origination to destination. For example, standards for the delivery of domestic First-Class Mail range from next day to 5 days. Service standards do not vary based on whether the origin or destination is in a rural or urban area.

USPS also sets performance targets that identify goals for USPS in meeting its service standards that vary by mail category. These targets represent the goal for the percentage of mail that is delivered within the relevant service standards (i.e., “on time”). For example, USPS’s fiscal year 2021 target for all First-Class Mail combined was 84.88 percent. This means that if USPS delivered 84.88 percent or more of its First-Class Mail products on time, then USPS met its target.¹⁶

Service Performance Measurement and Reporting. USPS collects data and measures on-time service performance differently for different product types.

- USPS uses its Service Performance Measurement system to measure on-time service performance for mail products such as First-Class Mail, Marketing Mail, and Periodicals.¹⁷ USPS collects data for this system through time-stamp scans and uses data from these time-stamp scans on individual mail pieces to obtain on-time performance information. Data from the scanning of these mail pieces is used to determine if a piece of mail was delivered within the established service performance standard (i.e., considered “on-time”). For First-Class Mail, a sample of these products is scanned at collection points such as at a collection box (i.e., the “first mile”). All mail pieces are scanned as they move through USPS’s network toward their delivery destination and a sample is scanned when delivered (i.e., the “last mile”). Service performance is then estimated based on USPS sampling of mail pieces sent from a certain ZIP code and delivered to

¹⁶U.S. Postal Service, “Service performance results”, accessed Jan.3, 2023, <https://about.usps.com/what/performance/service-performance/>.

¹⁷USPS implemented the Service Performance Management system in fiscal year 2019. According to USPS, this system would provide more accurate, reliable, and representative on-time service performance reporting by gathering data from multiple sources—including live scans of the billions of mail pieces moving through the postal network—rather than relying on the previous measurement system’s samples of test pieces and test recipients to determine on-time service performance.

a certain ZIP code. According to USPS officials, because not all of the possible origination and destination ZIP code combinations have enough volume to allow for proper estimation, these estimates are aggregated up to the district level and then up to the national level.

- USPS uses its Product Tracking and Reporting system to measure service performance for mail products such as market-dominant packages and competitive packages. Unlike for First-Class Mail, Marketing Mail and Periodicals, all packages are scanned at each point from entering the postal network until delivery.

USPS reports its service performance publicly on a quarterly basis for First-Class Mail, Marketing Mail, Periodicals, and market-dominant packages.¹⁸ According to USPS, it has not met its service targets for several of its mail categories for several years. For example, USPS did not meet any of its service performance targets for First-Class Mail between fiscal years 2015-2021. USPS officials stated that USPS also reports service performance by rural and urban areas to Congress when requested.¹⁹

As mentioned above, the Postal Service Reform Act of 2022 required USPS to, among other things, develop and maintain a publicly available website that can allow users to search for performance information for market-dominant products by ZIP code and addresses. The act also mandates that PRC issue rules for this website requiring USPS to report service performance information down to the district and area level and “to the extent practicable” the ZIP code level.²⁰ As of July 2022, USPS officials stated they are currently working on the website and estimate they will be ready to implement PRC’s rules when issued.

¹⁸Because of the business-sensitive nature of its competitive products, USPS does not report publicly on the performance of competitive products.

¹⁹USPS officials told us they last briefed congressional requesters on rural and urban on-time service performance at the national level in November 2021.

²⁰Pub. L. No. 117-108, § 201(a), 136 Stat. 1127, 1144–46 (2022) (codified at 39 U.S.C. § 3692). PRC issued a notice of proposed rulemaking concerning this requirement in September 2022. POSTAL REGULATORY COMMISSION, Order No. 6275, Docket No. RM2022-7 (Sept. 21, 2022).

On-Time Service Performance Generally Did Not Differ between Rural and Urban Areas

We found few statistically significant differences that were 5 percentage points or greater in on-time service performance between rural areas and urban areas for the October 2020 through December 2021 period, based on our analysis of available USPS data (see table 1).²¹ At the national level and postal area level, we found no differences of 5 percentage points or greater in on-time service performance for any of the mail products we analyzed. At the postal district level, none of the 50 districts had a difference of 5 percentage points or greater in on-time service performance between rural and urban areas for competitive products.

Table 1: Number of Differences of 5 Percentage Points or Greater in USPS On-Time Service Performance between Rural and Urban Areas by Geography and Selected Mail Type, October 2020-December 2021

Mail Product	Number of Differences Found		
	National	Area	District
First-Class Mail	0	0	1
Marketing Mail	0	0	1
Periodicals	0	0	8
Competitive Products	0	0	0

Source: GAO analysis of U.S. Postal Service (USPS) data. | GAO-23-105169

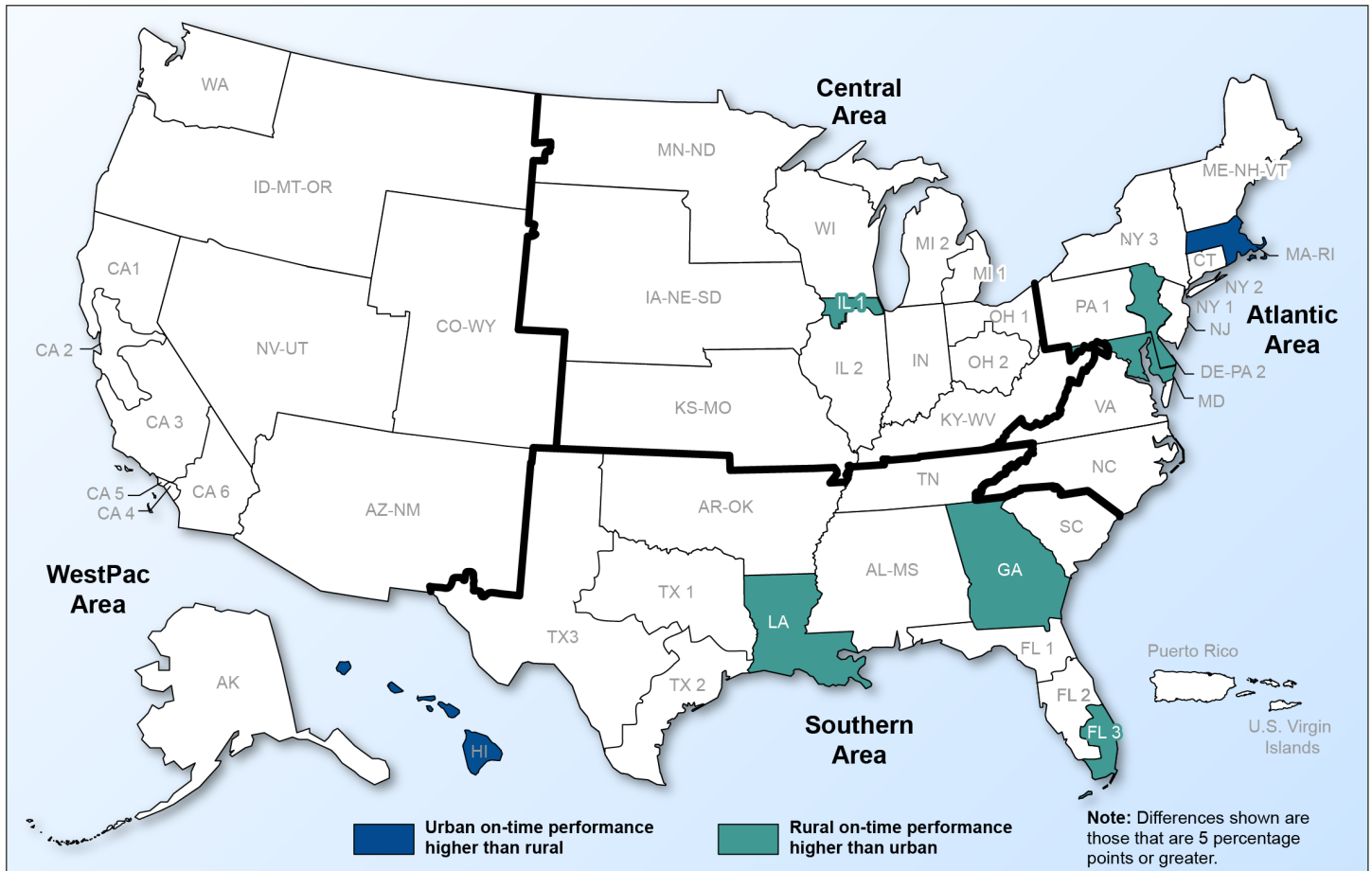
²¹As previously mentioned, for the purposes of this report, we highlight statistically significant differences at the 95 percent confidence level in on-time performance of 5 percentage points or greater. See appendix I for additional discussion on how we chose this threshold. For example, if we found on-time performance for rural and urban areas to be 93 and 90 percent, respectively, we would not consider that to be a difference worth highlighting because the difference is only 3 percentage points. However, if on-time service performance for rural and urban areas were 90 and 95 percent respectively, we would consider that to be a difference worth highlighting because the difference is 5 percentage points.

Also as previously mentioned, we excluded market-dominant packages from our analysis because the percentage of mail excluded from on-time measurement for this product category was over 50 percent, and therefore, these data were not reliable for our specific purposes. Market-dominant packages consist of products such as, among other things, media mail such as books and compact discs; library mail such as packages sent from libraries or academic institutions; and bound printed matter such as catalogs and directories. For more information on our exclusion of market-dominant packages from this analysis, see appendix I.

With regard to one type of market-dominant product—Periodicals—we found that eight of the 50 postal districts had a difference of 5 percentage points or more in on-time service performance between rural and urban areas (see table 4 in appendix III for a summary of these differences found in service performance between rural and urban areas by district and mail category).²² We also found that some of these differences favor urban areas and that some favor rural areas (see fig. 3).

²²We found the percentage of competitive products excluded from the on-time service performance data to be higher than excluded market-dominant mail, which could have some effect on the service performance statistics for this mail type. However, USPS officials told us that mail excluded from measurement had several potential causes that were not related to whether the excluded pieces were sent to urban or rural areas, and as such, we determined that these data were reliable for our purposes. Data on USPS's competitive products are not publicly available because USPS considers this information to be business proprietary.

Figure 3: Map of U.S. Postal Service (USPS) Retail and Mail Delivery Districts with Differences of 5 Percentage Points or More in Service Performance between Rural and Urban Areas for Periodicals, October 2020 through December 2021



Source: GAO analysis of USPS data. | GAO-23-105169

Regarding the differences in the Periodicals category, USPS officials told us the reason for this is that sometimes Periodicals arrive to postal facilities multiple times a day, an outcome that can create staffing level conflicts between the staff needed to process these Periodicals and the staff needed to process packages. As a result, USPS is taking steps to adjust the time Periodicals enter into the postal network to 8:00 a.m. instead of 11:00 a.m. or 2 p.m. to help USPS better meet its service standards for Periodicals.²³

²³USPS requested a PRC advisory opinion regarding these changes on September 2, 2022, and PRC issued its advisory opinion on November 30, 2022. See PRC Docket No. N2022-2.

In addition, one of the eight districts (Hawaii) had a difference of 5 percentage points or more in service performance between rural and urban areas for First-Class Mail and Marketing Mail as well as for Periodicals. These differences all favored urban areas.²⁴ Regarding the differences in the Hawaii district, officials told us that a combination of ships and airplanes are used to transport mail to areas in the Hawaii district (which also includes U.S. insular territories in the Pacific Ocean). USPS officials stated that this approach is not optimal to provide consistent service to remote rural areas when space on planes and other transport methods is limited.

USPS Assesses the Effects of Some Operational Changes on Rural Areas through Analysis, Stakeholder Input, and Monitoring

USPS has assessed the effects of the two broad types of operational changes we reviewed: 1) changes to nationwide on-time service performance standards (or “service standards”) and 2) specific changes to USPS’s operations (operational procedure changes). Before implementing changes to nationwide service standards in 2021, USPS modeled potential effects in rural areas and analyzed stakeholder input on how rural areas might be affected by the changes. After implementing the changes, USPS regularly monitored its service performance nationwide and for areas and districts but not specifically for rural areas. USPS assessed potential effects from selected operational procedure changes before and after implementation through its existing internal processes, but did not specifically analyze any effects for rural areas.

USPS Assessed Effects on Rural Areas from Service Standard Changes before Implementation but Not Specifically for Rural Areas After

In April 2021, USPS proposed service standard changes for First-Class Mail and Periodicals; and in June 2021, USPS proposed service standard changes for First-Class Package Service. These proposed changes

²⁴Ninety percent of the mail volume delivered in USPS’s Hawaii district is delivered to urban addresses and 10 percent to rural addresses.

would increase the number of days USPS could take to deliver these types of mail and still meet the newly set service standard.²⁵

USPS officials stated that USPS follows the following steps before implementing a service standard change. USPS first evaluates the reasons for changing a service standard by analyzing internal (such as USPS's network capabilities) and external (such as market research) data. USPS's senior management must approve the proposed change and then USPS's Board of Governor's votes on the proposed change. If approved by the Board of Governors, USPS officials stated that USPS would proceed with the formal process of making the change.

Federal statute requires USPS to request an advisory opinion from PRC before implementing nationwide service changes.²⁶ As part of this process, PRC first opens a docket for USPS's request, which can include, among other things, any USPS analysis of the potential effects of the proposed service standard change.²⁷ PRC then invites the public to participate; such participation includes the opportunity to cross-examine

²⁵For example, USPS proposed that First-Class Mail that took more than 20 hours but less than 41 hours to be transported by truck between USPS facilities in the 48 contiguous states could take 4 days to be considered delivered on time. First-Class Mail that took more than 41 hours to transport could take 5 days. Prior to the proposed change, USPS held all First-Class Mail to the up to 3-day standard applied in the contiguous U.S. to be considered delivered on time. USPS reported to PRC that both proposed changes were designed to, among other things, preserve regular and effective access to postal service in all communities, including those in rural areas.

²⁶USPS is required to request advisory opinions from PRC for proposed changes in the nature of postal services that will generally affect service on a nationwide or substantially nationwide basis. 39 U.S.C. § 3661(b).

²⁷However, the USPS OIG found that USPS did not have specific guidance on when it should analyze the effect of changes in service standards on specific demographic groups, such as rural populations. The OIG recommended that USPS create guidance for when USPS should perform such a study. USPS stated that it would create guidance that details when such studies should be performed to the extent that USPS management concludes that those factors should be part of the process. USPS's target implementation date for this guidance is June 2023. USPS Office of Inspector General, *Assumptions and Metrics Underlying the Delivering for America 10-Year Plan*. (Arlington, VA: July 6, 2022).

USPS witnesses. PRC allows the public the opportunity to file written statements and testimony on the proposed change.²⁸

USPS followed this process for these proposed service standard changes. USPS requested advisory opinions from PRC. PRC opened a docket for each of these requests, received input from the public—which included statements about the potential effects of these changes on rural areas, among other things—and then issued advisory opinions.²⁹ In its filings to PRC, USPS modeled the potential effects of the proposed service change on rural areas for First-Class Mail service and for First-Class Package Service.³⁰ USPS's model indicated under the new service standards, the volume of these classes of mail that would be transported more slowly in both rural and urban areas was similar. Specifically, USPS found that 39 percent of First-Class Mail destined for urban areas and 37 percent for First-Class Mail destined for rural areas would take longer to deliver after the proposed service standard changes take effect.³¹ USPS stated that the slower transport times were based on USPS's planned change to switch some long-distance mail volume from airplanes to trucks.

²⁸For market-dominant products, if the service standards are revised, USPS is required to do so through regulation. USPS conducts a rulemaking and issues a final rule prior to making a change to service standards. Service standard changes concerning market-dominant products are codified at 39 C.F.R. Part 121. The process is similar for service standard changes concerning competitive products; however, USPS is not required to issue a regulation. In addition, on-time service performance measurements for USPS's competitive products are not public because USPS considers this business proprietary information.

²⁹Postal Regulatory Commission, *Advisory Opinion on Service Changes Associated with First-Class Mail and Periodicals*, Docket No. N2021-1 (Washington D.C.: July 20, 2021) and *Advisory Opinion on Service Changes Associated with First-Class Package Service*, Docket No. N2021-2 (Washington D.C.: Sept. 29, 2021).

³⁰According to a USPS official, USPS modeled the potential effects of the change to First-Class Mail on its own initiative to help support USPS's case for changing the service standard. USPS's modeling of the potential effects of the service standard change to First-Class Package Service was in response to a request from PRC. USPS officials stated that USPS did not analyze the effect of the proposed service standard change on Periodicals because the changes to the standards were minimal.

³¹USPS, *Direct Testimony of Stephen B. Hagenstein on Behalf of the United States Postal Service before the Postal Regulatory Commission*, Docket No. N2021-1, submitted April 21, 2021, Washington D.C. USPS considers on-time service performance information about First-Class Package Service to be business proprietary and does not make this information public.

USPS considered comments from stakeholders and the public on these proposed service standard changes and PRC's advisory opinions. USPS issued the final rule for the service standard change for First-Class Mail and Periodicals in August 2021, and the service standard change took effect on October 1, 2021.³² The service standard change for First-Class Package Service took effect on May 1, 2022.³³ In its advisory opinion for First-Class Package Service, PRC recommended that USPS monitor the impact of the service standard change after implementation and consider ways to address impacts for those who may be negatively affected, including rural stakeholders.³⁴

USPS officials stated that after service standard changes take effect, USPS uses its existing on-time service performance measurement systems to regularly monitor its service performance nationwide and for areas and districts. However, USPS's service performance measurement systems do not specifically differentiate service performance for rural or urban areas during its regular monitoring.³⁵ According to USPS officials, USPS did not assess the specific effects on rural areas after implementation. In PRC's subsequent advisory opinion for the First-Class Mail and Periodicals service standard change, it noted that several commenters stated that certain customers, including rural customers, may be particularly affected by these changes. However, while PRC noted that collecting necessary data to determine which customers would be affected would be challenging, it recommended that USPS monitor customer satisfaction, specifically for customers and mailers that may be the most affected by the change.³⁶ In the preamble to its final rule, USPS replied that it did not concur with many portions of PRC's advisory opinion

³²86 Fed. Reg. 43,941 (Aug. 11, 2021).

³³As First-Class Package Service is considered a competitive product, USPS did not issue a final rule for this service standard change.

³⁴Postal Regulatory Commission, *Advisory Opinion on Service Changes Associated with First-Class Package Service*. USPS officials stated that USPS did not formally respond to PRC's recommendation in its advisory opinion. However, USPS officials stated that USPS would monitor the impact of the service standard change through existing on-time service performance monitoring systems.

³⁵However, as mentioned above, USPS is working on a website that will make its on-time service performance information available and allow users to search for this information by address.

³⁶Postal Regulatory Commission, *Advisory Opinion on Service Changes Associated with First-Class Mail and Periodicals*.

but largely agreed with PRC's recommendations.³⁷ As previously mentioned, USPS monitors service performance regularly and will conduct a root cause analysis as needed to identify the cause of any issues.³⁸

USPS Assessed Effects from Selected Operational Procedure Changes before and after Implementation but Not Specifically on Rural Areas

As with service standard changes, USPS officials stated that USPS uses existing internal processes to assess the effects of operational procedure changes nationwide before and after implementation. USPS officials stated that USPS does this through a combination of analysis, stakeholder input, and monitoring.

We examined three recent operational procedure changes with a likely effect on rural areas to illustrate how USPS assessed the effect of these changes on rural areas before and after implementation. These operational procedure changes include the following:

- Rural Performance Management—Started in November 2021, USPS plans to achieve a reduction of over 50 percent in work hours for extra rural mail carrier trips to deliver Priority Mail and Priority Mail Express products by working to ensure these types of mail are available on time to be delivered by the regularly-assigned rural mail carriers;
- Rural Route Optimization—Started in October 2021, USPS will review and optimize the current delivery sequence of rural routes nationally to ensure that each route is delivering mail efficiently; and,
- Mail Moves/Facility Consolidation—Started in August 2021, USPS will continue to consolidate 16 mail-processing facilities, a process that could affect both rural and urban postal services, by determining the most effective location for facilities, equipment (such as letter mail

³⁷86 Fed. Reg. 43,941, 43,942 (Aug. 11, 2021).

³⁸USPS provided root cause analyses summarized by quarter and fiscal year at the national level that identify the causes of delays such as missing or late scans and processing delays.

sorting equipment) and workforce resources to reflect changes in mail volume and types of mail.³⁹

USPS's processes for assessing the effect of operational changes before and after implementation are somewhat different from its processes to assess changes to on-time service performance standards. For example, under federal statute, USPS is only required to ask for an advisory opinion from PRC before implementation of an operational change if certain conditions are met, such as if the change will generally affect postal service on a nationwide basis.⁴⁰ If so, USPS would ask PRC for an advisory opinion on the change before it is implemented. USPS officials stated that these three operational procedure changes did not meet the statutory conditions, so USPS did not ask PRC for an advisory opinion for any of these operational procedure changes.

USPS officials stated that these three operational procedure changes were intended primarily to reduce costs while maintaining USPS's service performance. USPS did not specifically monitor service performance before making two of these three changes, outside of its existing process for monitoring service performance. However, USPS did monitor service performance for ZIP codes affected by the Mail Moves/Facility Consolidation change, although not specifically for rural or urban areas.

Further, according to USPS officials, USPS management consults with stakeholders such as with postmasters and labor union officials, taking their input on potential effects into account when designing operational procedure changes prior to implementation. This feedback can include best practices, challenges, or collective-bargaining issues that could affect implementation, according to USPS documentation we reviewed and statements from USPS officials. For example:

- For USPS's Rural Performance Management operational procedure change, selected postmasters were surveyed for best practices used and roadblocks encountered in trying to reduce extra rural carrier trips.⁴¹ USPS managers used this information to modify this initiative.

³⁹As described previously, we judgmentally selected these three operational changes because they were considered to be more likely to have an effect on postal services in rural areas.

⁴⁰See 39 U.S.C. § 3661(b); see also *Buchanan v. USPS*, 508 F.2d 259 (5th Cir. 1975).

⁴¹According to USPS officials, USPS management selected postmasters to survey for this initiative based on the use of extra hours for rural carrier trips for their location.

- USPS's Rural Strategy and Transformation group, an internal group that is responsible for USPS's rural delivery services, communicated with the National Rural Letter Carriers Association (NRLCA), the union representing USPS's rural letter carriers, to solicit feedback concerning the Rural Route Optimization operational procedure change. USPS management and labor representatives incorporated this feedback via collective bargaining into its development.
- In considering options for the Mail Moves/Facility Consolidation changes, USPS held internal meetings with division directors and labor unions to discuss impending moves of personnel and equipment between USPS facilities; this process resulted in some planned facility moves not being made. In addition, public engagement is a part of USPS's requirements on area mail processing (AMP) studies concerning certain types of mail-processing facility consolidations.⁴²

USPS assesses the effects of operational procedure changes after implementation through analysis and stakeholder outreach on a nationwide basis but not specifically on rural areas. Generally, USPS officials stated that its existing processes analyze the progress of operational procedure changes and their effects such as by monitoring service performance nationally and by area and district. USPS officials stated that USPS monitors service performance for both rural and urban areas using existing reporting and monitoring processes and attempts to address service performance failures through its existing root cause analysis process. However, USPS does monitor service performance for affected ZIP codes after a facility is closed or consolidated under the Mail Moves/Facility Consolidation change, although not specifically for any changes in service performance in rural or urban areas. According to USPS officials, USPS generally considers the effect of operational procedure changes on its stakeholders through regular communications and meetings with employees, contractors, and customers to assess the effects of operational procedure changes on USPS operations.

For the three operational procedure changes we selected, USPS did not assess their specific effects on rural areas as they determined

⁴²On August 15, 2022, USPS stated that it was ending all activity pertaining to its 57 pending AMP studies. USPS also announced that it would re-assess the role of all processing facilities as it moves forward with its current strategic plan, which includes strategies to develop its mail-processing network. USPS noted that it will adhere to all legal, statutory, contractual, and regulatory requirements as this network design is developed.

beforehand that the efforts would not affect service performance.⁴³ While USPS tracked the progress of these operational procedure changes after implementation, such as for cost savings or milestones achieved, USPS officials said that they do not generally track the effects of individual operational procedure changes on service performance or on rural stakeholders.⁴⁴ As mentioned above, USPS officials stated that because USPS determined that these selected operational procedure changes would not affect service performance before implementation, USPS did not assess their effect on service performance after implementation. USPS officials also stated that, it would be difficult for USPS to assess the effect on service performance for operational procedure changes on specific groups of customers that do not have a nationwide effect. For example, as noted above, PRC stated in a recent advisory opinion on a USPS service standard change that determining which customers are most affected by such a change and collecting data specific to those customers may be a challenge.⁴⁵

Given the many concurrent operational changes USPS is implementing under its strategic plan, USPS should be mindful of the potential risks of on-time service performance disparities between rural and urban areas. As USPS moves forward with full implementation of the operational changes in its strategic plan, the extent to which the changes affect rural areas in the future is unknown and warrants additional review.

Agency Comments

We provided a draft of this report to USPS for comment. USPS provided a written response, which is reproduced in appendix II. USPS found that the report validated expectations that there are few differences in service

⁴³Mailing industry and postal union representatives we interviewed stated that while they regularly interact with USPS on issues that can affect rural areas, such as on-time performance issues in certain areas or for certain types of mail, they do not raise specific operational changes with USPS.

⁴⁴USPS officials stated that they adhered to all applicable statutory and regulatory requirements concerning public outreach when making operational changes when required to do so.

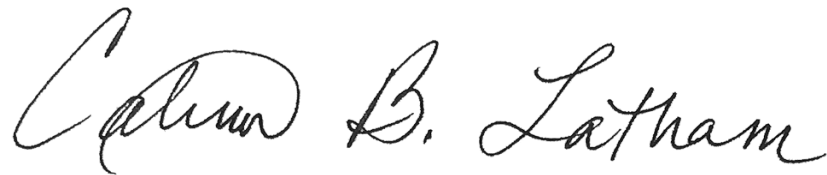
⁴⁵Postal Regulatory Commission, *Advisory Opinion on Service Changes Associated with First-Class Mail and Periodicals*, NC2021-1. However, PRC did recommend that USPS monitor customer satisfaction after implementing this service standard change specifically for customer and mailer segments that may be the most impacted.

performance between rural and urban areas. USPS also provided technical comments, which we incorporated as appropriate.

We are sending copies of this report to the appropriate congressional committees, the Postmaster General, and other interested parties. In addition, the report is available at no charge on the GAO website at <https://www.gao.gov>.

If you or your staff have any questions about this report, please contact me at (202) 512-2834 or lathamc@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff making key contributions to this report are listed in appendix IV.

Sincerely yours,

A handwritten signature in black ink that reads "Catina B. Latham". The signature is written in a cursive style with a large, looping initial "C".

Catina B. Latham, Acting Director
Physical Infrastructure Issues

Appendix I: Objectives, Scope, and Methodology

This report describes: (1) the extent that USPS's on-time service performance for mail and packages differs between rural and urban areas and (2) how USPS assesses the effect of operational changes on rural areas before or after making such changes.

To determine the extent of any differences in USPS on-time service performance for mail and packages between rural and urban areas, we analyzed USPS on-time service performance data from October 2020 through December 2021 for four categories of mail products that comprise over 99 percent of the mail volume that USPS processes. We selected October 2020 as the beginning of our analysis period because that was the oldest data available for all of the mail product categories in our review, and we used December 2021 as the end point of our analysis because that was the most recent data available at the time of our analysis. This time period also included two December holiday periods when USPS traditionally handles its largest volume of mail. The data USPS provided us included the total volume of mail included in performance measurement; the volume of mail that was excluded from performance measurement; and the volume of included mail that failed to meet USPS on-time standards for the First-Class Mail, Marketing Mail, Periodicals, market-dominant packages, and competitive packages.

These performance data were organized by mail product, postal district, rural or urban area, month, and year for the evaluation period. As such, we obtained aggregated data from USPS for the volume of mail that failed to meet on-time standards as mentioned above.¹ USPS officials told us they applied the U.S. Census Bureau's definitions of "rural" and "urban"

¹Market-dominant packages and competitive packages are scanned when accepted by USPS, during their processing through the USPS network, and upon delivery. Therefore, performance data for these mail products are based on a census of mail that have complete scanning from entry until delivery. First-Class Mail, Marketing Mail, and Periodicals are not necessarily scanned when accepted or delivered by USPS. However, they are all scanned during the processing through the USPS network. Estimates of on-time volume for these products are based on samples taken at acceptance and delivery for these products in conjunction with the scans collected during the processing through the USPS network.

areas to its service performance data that we used for our analysis.² For analysis purposes, USPS used the destination ZIP code to determine if a piece of mail was considered delivered to a rural or urban area.

We assessed the reliability of USPS’s on-time service performance data several ways. Upon receipt of the data, we analyzed them for blank, duplicate, or obviously erroneous entries. We also reviewed USPS documentation for the systems for which the data were taken and interviewed USPS officials about data collection procedures and system controls. Additionally, we analyzed the percentages of mail excluded from measurement by USPS and interviewed USPS officials about why some mail was excluded from measurement and the extent that these exclusions tended to be more likely in rural or urban areas. USPS officials told us that mail excluded from measurement had several potential causes, such as missing scanning or address information, which were not related to whether the excluded pieces were sent to urban or rural areas. Based on the extent of exclusion, we found the data to be sufficiently reliable for four of the 5 mail product categories we received from USPS for the purpose of reporting any differences in service performance between rural and urban areas. We found that over 50 percent of market-dominant packages were excluded from measurement and were not sufficiently reliable for our analysis comparing rural and urban on-time percentages for this particular product (see table 2).³

Table 2: Percentages of Mail Excluded from USPS On-time Performance Measurement, October 2020 through December 2021

Product Type	Rural percentage	Urban percentage
Marketing Mail	4.83	5.60
Periodicals	8.46	10.64
First-Class Mail	13.76	14.89
Competitive Packages	18.18	14.68
Market-Dominant Packages	59.39	53.28

Source: GAO analysis of U.S. Postal Service (USPS) data. | GAO-23-105169

²See 87 Fed. Reg. 16,706 (Mar. 24, 2022) for the US Census Bureau's final criteria for defining rural and urban areas for the 2020 US Decennial Census.

³Market-dominant packages include Media Mail (e.g. books and CDs/DVDs,) Library Mail (e.g. media sent between libraries or academic institutions,) and Bound Printed Matter (e.g. directories, catalogs, or bound promotional or advertising pieces). As noted in the Background section of this report, market-dominant packages account for less than 0.5 percent of the mail volume for the period of our analysis.

We calculated the percentage of on-time performance as 100 percent minus the mail that failed to meet on-time standards divided by the total mail included in measurement. We calculated this percentage for rural and urban areas by mail type, district, and quarter. Then, we calculated the difference in on-time performance by subtracting the percentage of on-time performance in rural areas from that in urban areas. We examined the distributions of these differences by quarter.

Because the microdata needed to calculate standard errors and tabulated standard errors were not available, we used available data—the maximum expected levels of precision—to estimate the extent to which differences in on-time mail across rural and urban areas would be sufficiently large enough to be statistically significant. For the mail types that involve sampling, the sample sizes are determined by, among other inputs, specifying the desired maximum level of precision. In this context, the maximum level of precision is the margin of error around estimates of on-time performance based on USPS's reported data. Table 3 shows the maximum levels of precision using a 95 percent confidence interval specified by Postal Service for the First Mile and Last Mile sample designs. For example, the sample design specifies that quarterly estimates of on-time performance for marketing mail in a given urban district needs to be within 1.5 percentage points of the true on-time performance. That is, if the on-time percentage was estimated to be 85.0 percent, the true estimate was expected to be between 83.5 and 86.5 percent at the 95 percent confidence level.

While the previous example discussed the precision of marketing mail estimates of on-time performance, the largest maximum level of precision was for First-Class Mail, a mail type with both First and Last Mile sampling, at +/- 2.5 percentage points (1.0+1.5 percentage points) (see table 3). We used this maximum expected level of precision to estimate the widest possible 95 percent confidence intervals around on-time performance. For example, if a given estimate of on-time performance is 90.0 percent, the widest possible confidence interval is between 87.5 percent and 92.5 percent. We used confidence interval overlap to determine whether differences between rural and urban on-time performance were statistically significant: that is, that the differences were not due to chance.

Table 3: USPS Quarterly Maximum Expected Levels of Precision for First- and Last-Mile Sampling Requirements

Product type	District type	First mile	Last mile
First-Class Mail	Urban	+/- 1.0%	+/- 1.5%
First-Class Mail	Rural	+/- 1.0%	+/- 1.5%
Marketing Mail	Urban	No sampling	+/- 1.5%
Marketing Mail	Rural	No sampling	+/- 1.5%
Periodicals	Urban	No sampling	+/- 1.5%
Marketing Mail	Rural	No sampling	+/- 1.5%

Source: GAO analysis of U.S. Postal Service (USPS) information. | GAO-23-105169

Notes: There are two types of First-Class Mail, letters and flats. Their quarterly maximum expected level of precision for First Mile sampling is +/- 0.5 and +/-1.0 percent, respectively, for both rural and urban areas. Because we received data for total First-Class Mail, we assigned the more conservative level of precision, +/-1.0% percent, to this category.

Using the confidence intervals calculated above, we determined that a 5 percentage point difference would be statistically significant. If the 95 percent confidence intervals for two estimates of on-time performance do not overlap, then the difference between the two estimates is statistically significant at the 95 percent confidence level. For example, if a given urban estimate is 90.0 percent, the rural estimate would have to be lower than 85.0 percent or higher than 95.0 percent to ensure that the confidence intervals do not overlap and the difference is statistically significant. The rural estimates would have confidence intervals of (82.5, 87.5) and (92.5, 97.5), respectively, and would not overlap with the urban estimate’s confidence interval (87.5, 92.5). To avoid an overlap and be considered statistically significant, the rural and urban estimates of on-time performance themselves would have to be at least a 5 percentage point difference. We therefore highlighted statistically significant differences that were at least 5 percentage points. Even though the 5 percentage point threshold was derived from the maximum level of precision of First-Class Mail, we applied this threshold to Marketing Mail and Periodicals, as well as competitive products, which did not involve sampling, to set a conservative and consistent threshold.

To determine how USPS assessed the effect of its operational changes on rural areas, we reviewed USPS documentation and interviewed USPS officials on how they identify, implement and monitor the effect of recent operational changes they have made. For the purposes of this review, we defined “operational change” as a USPS-wide change that affects USPS’s mail delivery operations that could result in a change in service performance. This could include a change in on-time service performance standards or an operational procedure change, which could include a

change in mail transportation modes from air to surface transportation or an increased adherence to existing mail transportation schedules. These changes are documented in USPS's Annual Reports to Congress, financial reports or other internal documentation, and in USPS OIG reports. Using these documents, we compiled a list of USPS's operational procedural changes made since 2017. Using professional judgment, we selected three operational procedural changes implemented since the release of USPS's strategic plan that had a specific focus on rural postal operations. In addition, we also selected two recent changes in USPS's on-time service performance standards that affect some of USPS's largest volume mail products, First-Class Mail and First-Class Package Service.

We reviewed USPS and Postal Regulatory Commission (PRC) documentation, such as USPS internal progress reports on operational procedure changes and PRC advisory opinions, and federal statutes and regulations to identify USPS's processes for formulating, implementing, and monitoring changes.⁴ We also interviewed a non-generalizable selection of rural postal stakeholders on their interactions with USPS on these changes. These stakeholders included officials or representatives from PRC, two postal unions and associations, two associations of commercial mailers, a business specializing in analyzing USPS data for commercial mailers, and two rural community public interest groups. We identified those stakeholders from our prior work and public statements on their websites made by those groups on postal service in rural areas.

We conducted this performance audit from April 2021 to January 2023 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

⁴PRC is an independent establishment of the executive branch responsible for regulating USPS. Under 39 U.S.C. § 3653, PRC is required to make an annual determination of USPS's compliance with service standards and rate requirements. If PRC finds noncompliance, it is required to order USPS to take appropriate actions to achieve compliance and to remedy the effects of any noncompliance.

Appendix II: Comments from the U.S. Postal Service

VICE PRESIDENT, DELIVERY OPERATIONS
HEADQUARTERS



Ms. Catina B. Latham
Director, Physical Infrastructure
United States Government Accountability Office
441 G Street, NW
Washington, DC 20548-0001

RE: Draft report review of *U.S. Postal Service: Few Differences in On-Time Performance Between Rural and Urban Areas* (GAO-23-105169)

Dear Ms. Latham:

Thank you for the opportunity to review and comment on the draft United States Government Accountability Office (GAO) report to Congressional Requesters titled: *U.S. Postal Service: Few Differences in On-Time Performance Between Rural and Urban Areas* (GAO-23-105169). We had only minor suggestions to the report content, which are being shared separately in tabular format.

The report validates expectations that there are few differences in service performance for rural and urban area. Through continuous improvement we will strive to provide optimum service to all of our customers in both rural and urban areas. These efforts will further advance our commitment to achieving our universal service mission, as we adopt the necessary changes under the Delivering for America Plan to achieve financial stability and service excellence. We look forward to continuing dialogue on this topic with key stakeholders.

Sincerely,

E-SIGNED by ANGELA H CURTIS
on 2022-12-22 12:08:17 CST

Angela H. Curtis

cc: USPS Corporate Audit Response Management

475 L'Enfant Plaza SW
Washington, DC 20260-5222
WWW.USPS.COM

Accessible Text for Appendix II: Comments from the U.S. Postal Service

Ms. Catina B. Latham
Director, Physical Infrastructure
United States Government Accountability Office
441 G Street, NW
Washington, DC 20548-0001

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Angela H. Curtis

cc: USPS Corporate Audit Response Management

Appendix III: Table of Differences in U.S. Postal Service On-Time Performance between Rural and Urban Areas

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Table 4: U.S. Postal Service (USPS) On-time Performance Differences between Rural and Urban Areas for Selected USPS Product Types, by Postal District, Fiscal Year 2021, Quarter 1, through Fiscal Year 2022, Quarter 1

Category	Subcategory	First-Class Mail	Marketing Mail	Periodicals
NATIONAL		-0.44%	-0.84%	0.2%
USPS AREAS	ATLANTIC	0.06%	-0.73%	1.38%
USPS AREAS	CENTRAL	1.85%	0.95%	2.27%
USPS AREAS	SOUTHERN	-0.1%	-0.74%	0.62%
USPS AREAS	WESTPAC	-2.75%	-1.49%	-2.44%
USPS DISTRICTS	ALASKA	-0.89%	-2.87%	0.07%
USPS DISTRICTS	AL-MS	1.42%	0.23%	1.88%
USPS DISTRICTS	AR-OK	-0.78%	-1.38%	-1.52%
USPS DISTRICTS	AZ-NM	-0.45%	-0.27%	-0.84%
USPS DISTRICTS	CALIFORNIA 1	-1.46%	-1.06%	-2.92%
USPS DISTRICTS	CALIFORNIA 2	-1.58%	-1.21%	-1.44%
USPS DISTRICTS	CALIFORNIA 3	-1.17%	-1.45%	-4.04%
USPS DISTRICTS	CALIFORNIA 4	-0.82%	-0.66%	0.20%
USPS DISTRICTS	CALIFORNIA 5	-1.66%	-0.96%	-3.15%
USPS DISTRICTS	CALIFORNIA 6	-1.14%	-0.99%	-3.72%
USPS DISTRICTS	CONNECTICUT	0.69%	-0.11%	-1.97%
USPS DISTRICTS	CO-WY	-1.26%	0.15%	-4.41%

**Appendix III: Table of Differences in U.S.
Postal Service On-Time Performance between
Rural and Urban Areas**

Category	Subcategory	First-Class Mail	Marketing Mail	Periodicals
USPS DISTRICTS	DE-PA2	-0.82%	0.05%	8.16%
USPS DISTRICTS	FLORIDA 1	-0.62%	-0.37%	-0.53%
USPS DISTRICTS	FLORIDA 2	-0.02%	-0.03%	0.88%
USPS DISTRICTS	FLORIDA 3	-0.25%	0.21%	5.94%
USPS DISTRICTS	GEORGIA	2.72%	2.67%	8.75%
USPS DISTRICTS	HAWAII	-9.68%	-5.27%	-5.63%
USPS DISTRICTS	IA-NE-SD	0.60%	-0.09%	-0.91%
USPS DISTRICTS	ID-MT-OR	-1.82%	-0.85%	-2.31%
USPS DISTRICTS	ILLINOIS 1	3.18%	2.91%	7.77%
USPS DISTRICTS	ILLINOIS 2	0.20%	-0.96%	-4.15%
USPS DISTRICTS	INDIANA	1.06%	0.45%	1.21%
USPS DISTRICTS	KS-MO	0.89%	-0.38%	3.55%
USPS DISTRICTS	KY-WV	0.94%	-0.24%	0.40%
USPS DISTRICTS	LOUISIANA	1.37%	2.12%	5.46%
USPS DISTRICTS	MA-RI	-0.49%	-1.67%	-6.29%
USPS DISTRICTS	MARYLAND	0.85%	1.22%	10.18%
USPS DISTRICTS	ME-NH-VT	0.05%	-0.34%	-1.40%
USPS DISTRICTS	MICHIGAN 1	1.91%	1.50%	4.41%
USPS DISTRICTS	MICHIGAN 2	-0.29%	-0.86%	-1.37%
USPS DISTRICTS	MN-ND	0.27%	1.03%	2.51%
USPS DISTRICTS	NEW JERSEY	-0.57%	0.25%	2.85%
USPS DISTRICTS	NEW YORK 1	-0.93%	-0.30%	1.75%

**Appendix III: Table of Differences in U.S.
Postal Service On-Time Performance between
Rural and Urban Areas**

Category	Subcategory	First-Class Mail	Marketing Mail	Periodicals
USPS DISTRICTS	NEW YORK 2	0.85%	-0.82%	2.49%
USPS DISTRICTS	NEW YORK 3	0.29%	-0.36%	0.27%
USPS DISTRICTS	NORTH CAROLINA	-0.21%	-0.79%	1.82%
USPS DISTRICTS	NV-UT	-2.26%	-1.12%	-3.77%
USPS DISTRICTS	OHIO 1	0.23%	0.56%	-3.08%
USPS DISTRICTS	OHIO 2	1.08%	-0.31%	-4.40%
USPS DISTRICTS	PENNSYLVANIA 1	-1.63%	-1.59%	-0.92%
USPS DISTRICTS	PUERTO RICO	1.61%	-1.49%	2.07%
USPS DISTRICTS	SOUTH CAROLINA	1.26%	0.43%	2.41%
USPS DISTRICTS	TENNESSEE	2.02%	0.82%	1.24%
USPS DISTRICTS	TEXAS 1	0.67%	-0.50%	-0.39%
USPS DISTRICTS	TEXAS 2	-0.57%	-0.85%	-1.05%
USPS DISTRICTS	TEXAS 3	-0.23%	-0.90%	0.22%
USPS DISTRICTS	VIRGINIA	-2.92%	-3.85%	-4.56%
USPS DISTRICTS	WASHINGTON	0.62%	0.24%	-0.73%
USPS DISTRICTS	WISCONSIN	-0.07%	-0.81%	1.17%

Source: GAO analysis of USPS information. | GAO-23-105169

Notes: Negative numbers indicate better on-time performance in urban areas, and positive numbers indicate better on-time performance in rural areas. Differences of 5 percentage points or more are in bold font.

Information on USPS's competitive products are not included here because USPS considers this information to be business proprietary.

Appendix IV: GAO Contact and Staff Acknowledgements

GAO Contact

Catina B. Latham, (202) 512-2834 or lathamc@gao.gov

Staff Acknowledgements

In addition to the contact named above, Derrick Collins (Assistant Director), Greg Hanna (Analyst-in-Charge), Amy Abramowitz, David Ballard, Steve Rabinowitz, Malika Rice, Mike Soressi, Michelle Weathers, Elizabeth Wood, and Sirin Yaemsiri made key contributions to this report.

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