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

January 2023

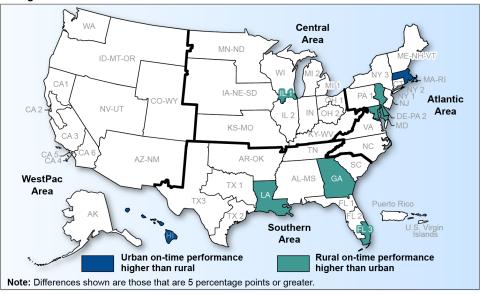
U.S. POSTAL SERVICE

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.