Postal Regulatory Commission
Submitted 05/31/2024 03:16 PM
Filing ID: 129121
Accepted 5/31/2024

DELIVERING FOR AMERICA

Responses of the United States Postal Service to the Reporting Requirements Specified in the Postal Service Reform Act of 2022

FY 2024 1st and 2nd Quarter

UNITED STATES POSTAL SERVICE

Table of Contents

Table of Figures

Cover Letter from the Postmaster General

May 31, 2024

Dear Mr. President and Congressional Leaders:

More than three years have passed since the implementation of the Delivering for America (DFA) plan and more than two years have passed since the passage of the *Postal Service Reform Act of 2022* (PSRA), which gave rise to this report. There has been a great deal of progress toward making the Postal Service operationally and financially sustainable, but much work remains to be done.

Thankfully, the PSRA clarified long-standing questions and solved several legacy retirement issues which are immensely helpful to our long-term prognosis in terms of non-cash balance sheet accounting. However, the PSRA did not legislate solutions for our operational problems or ensure our financial survival. Instead, the PSRA confirmed that it was up to the Postal Service to take the appropriate and necessary actions to save the Postal Service fully.

What we need now is for our stakeholders to support us in the implementation of key self-help initiatives outlined in the Delivering for America plan that are critically necessary and that will ultimately enable our operational and financial success.

I remind you that the existence and content of the DFA plan played an important role in gaining bipartisan support for the passage of the Postal Service Reform Act in 2022. In addition to the reversal of the unfair requirement to pre-fund retiree healthcare benefits, certain foundational underpinnings of the DFA plan were, in fact, incorporated in the legislation, such as six-days-a-week delivery and the mandate for an integrated mail and package network. Both financial and operational changes will be necessary to meet those commitments over the long term and in a financially self-sustaining manner. It is a fact that much of the bipartisan support for the PSRA was achieved because I committed to substantial self-help efforts in the areas of revenue recovery, network and transportation efficiencies and redesign, and investments in new products and services that the American people will value and use. The pages of this report detail these self-help operational and financial elements that are meant to put the Postal Service in a position to win.

As I mentioned, the DFA plan is very much aligned with our legislated requirement to be financially self-sustaining, a fundamental business model concept to which I am fully and firmly committed, and which is at the core of almost every initiative of the DFA plan. As policymakers, you understand the Postal Service had been in a financial and operational death spiral for the 14 years prior to my arrival in June of 2020 and had no effective plan to improve operations or curtail financial losses. The Postal Service was destined for financial collapse.

The DFA plan, and the actions we are now taking to remedy the untenable financial, organizational, and operational condition I found the Postal Service in when I assumed this position, are the only strategies I have seen that holistically address the legacy ailments within the constraints that exist and put us on the path to long term viability.

When I was a few months into my tenure at the Postal Service, the nation and the Postal Service were amid a global pandemic. The pandemic demonstrated the Postal Service's essential and fundamental value to the nation's critical infrastructure, and our unique ability to reach every American daily. The successful COVID test kit delivery program that we designed and executed, together with the Department of Health and Human Services and the White House, very well demonstrated this potential. This essential public health infrastructure project also provided the proof point that a streamlined delivery network could position the Postal Service for restored relevance, performance, and cost-efficient transportation.

I now have three and a half years of heightened understanding under my belt, and a sense of urgency regarding the need to ensure the Postal Service's financial and operational staying power. I have a formidable team alongside me—the men and women of the United States Postal Service—working harder and smarter than ever to transform this organization, so that we have a relevant and viable future of service to the American people.

As you have witnessed, over the past ten years, and prior to the issuance of the Delivering for America plan, the Postal Service endured close to $100 billion in financial losses and was well on its way to lose an additional $160 billion over the next 10 years. This has led to deferred maintenance of more than $20 billion and an ill-equipped, operationally ineffective, and devastated infrastructure. Our facilities are often unpleasant places to work, our vehicles are ancient, and most of our operations are not optimized to allow us to work efficiently. As laid out in the Delivering for America plan, we are working to change all of this to achieve long-term financial viability. The nearly $15.3 billion of committed self-funded investments is a key building block of our efforts.

I would draw the recipients of this letter to Strategic Focus #12 of the report that follows, which details the progress we are making in modernizing our delivery network and facilities. I have been disappointed with Congress' reaction of misunderstanding this progress, which is to modernize our plants, to make more efficient and appealing workplaces for our workforce, to enable better workflow of packages through our mail-centric facilities, and to save transportation cost. These are actions all should support – mailers, shippers, our workforce, our unions, and yes, Congress – because they will enable the financial and operational survival of the Postal Service and enable our universal service and financially self-sustaining mandates.

We remain firm in our position that the status quo is not an option if we want a financially self-sufficient Postal Service that provides the high-quality service expected of us far into the future. I ask that you recognize that our pursuit of long-term viability should have begun over a decade earlier. The damage inflicted on the organization by all stakeholders' failure to react, evolve or engage has produced a defeated organization that was locked into the strategies of the past. These strategies proved self-destructive in a modern American economy with its modern mail volume and mix. I urge your resistance to those status quo forces that prefer to hold the Postal Service in a business and delivery network model that led to a steady decline of essential services, rather than the modernizing transformation detailed in the DFA plan.

The road to success will not be a straight or easy path. Rather, it will be a series of accomplishments, struggles and recoveries that will be uncomfortable at times. I have not disputed that we had difficulty in the initial implementation of some of the changes we are making and are working hard to correct them and will do so. However, simply put, we are digging out of one of the biggest financial and operating institutional holes ever dug and the demanding pace of this change is required because it should have begun many years ago. We have a few years to correct our trajectory, or a drastic solution will almost certainly be required that, in my judgement, the American public and policymakers would not support. I look forward to working with Congress to avoid more draconian solutions, and to making the Postal Service once again a high-performing and financially healthy organization.

In the end, we will not only produce the operating and financial successes to which we aspire, but we will also advance the institutional culture of the organization, enabling us to engage in our future in a much more logical, organized, confident and successful manner. This is a stark difference from how we engaged in our recent past.

My hope is that all stakeholders recognize the challenges this management team faces in stemming its losses, reconstituting its infrastructure, and breaking down long-standing practices that have deprived the American people of a viable Postal Service and that they join us in accomplishing the ongoing improvements to which we aspire.

Sincerely,

Louis DeJoy

CC:

The Honorable Gary Peters, Chair, Senate Homeland Security and Government Affairs Committee
The Honorable Rand Paul, Ranking Member, Senate Homeland Security and Government Affairs Committee
The Honorable James Comer, Chair, House Committee on Oversight and Accountability
The Honorable Jamie Raskin, Ranking Member House Committee on Oversight and Accountability
The Honorable Michael Kubayanda, Chair, Postal Regulatory Commission

Purpose and Background

Purpose

This report satisfies the reporting requirements of Section 207 of the Postal Service Reform Act of 2022 (PSRA) covering the first and second quarters (Q1 and Q2) of Fiscal Year (FY) 2024.[1] This is the fourth report against this requirement. Section 207 of the PSRA established semiannual reporting requirements for the Postal Service. It states that, not later than 240 days after the date of the enactment of the PSRA, and every six months thereafter (for a period of five years), the Postmaster General shall submit to the President, the Postal Regulatory Commission (PRC), the Committee on Homeland Security and Governmental Affairs of the Senate, and the Committee on Oversight and Reform of the House of Representatives, a report on the operations and financial condition of the Postal Service during the six-month period ending 60 days before the date on which the Postmaster General submits such report.

Each report submitted under this section shall include updates, details of changes from previous standards and requirements, and assessments of progress being made on the following items:

(1) The actual mail and package volume growth relative to any mail or package volume growth projections previously made or relied upon by the Postal Service, including a discussion of the reasons for the differences in projections and the associated adjustments being made.
(2) The effect of pricing changes on product volume for market-dominant and competitive products, and associated revenue effects on financial projections, including a discussion of the reasons behind the differences in projections and associated adjustments being made.
(3) Customer use of network distribution centers and processing and distribution centers.
(4) The status of the USPS Connect program and revenue effects of the program on the financial projections.
(5) The use of Priority Mail, Priority Mail Express, First-Class Package Service, and Parcel Select services (as such terms are defined in the Mail Classification Schedule as in effect on the date of the enactment of this Act) among customers and associated revenue effects.
(6) The use of USPS Connect Returns service among customers, and associated costs and revenue effects.
(7) The use of USPS E-Commerce Marketplace among customers, and associated costs and revenue effects.
(8) Updates on the reliability, efficiency, and cost-effectiveness of the transportation network, including the manner in which ground transportation is utilized over air transportation for types of market-dominant products and competitive products.
(9) A review of efforts to enhance employee training, safety, and wellbeing, including associated effects on employee recruitment, satisfaction, and retention.
(10) A review of efforts being made to improve employee allocation, including changes of non-career employees to career status, and any associated impacts to operational expenses and processing, transportation, and delivery efficiency.
(11) The rate of planned investment into Postal Service processing, transportation, and delivery equipment and infrastructure for market-dominant and competitive products, and a review of any associated effects on operational expenses and efficiency.

[1] The Postal fiscal year runs from October 1 of the preceding calendar year to September 30; the first and second quarters run from October 1 to March 31.

(12) Changes to network distribution centers and the expansion of regional distribution centers, including costs associated with the changes and any realized reduction in operational expenses or improved resource efficiencies.
(13) A review of the ability of the Postal Service to meet performance targets established under section 3692(a)(1) of title 39, United States Code.
(14) A discussion of the progress of the Postal Service in achieving any new, self-funded investments, including the amounts realized and expended to date, and a discussion of the reasons behind any disparities in the assumptions regarding the expected progress of the Postal Service getting new, self-funded investments to accommodate changes.
(15) Any other information the Postal Service determines relevant, such as barriers or unanticipated events, in order to help the Postal Regulatory Commission, Congress, the President, and the American public evaluate the success or difficulties faced by the Postal Service in implementing the reform plan.

Background on the Delivering for America Plan

In March 2021, we issued our strategic plan in the DFA.[2] In this plan, we laid out two central and complementary goals: service excellence and financial sustainability. Only through service excellence can we maintain the public's trust, grow our business, and fulfill our universal service mission. By law, we must cover our costs and therefore, we must fully cover all expenses and provide sufficient cash flow for necessary investments. These investments are necessary to improve network efficiency and to drive innovations in products and services. We have deferred many necessary investments for more than 10 years, which makes future investments even more critical.

The DFA plan outlined the following 12 strategic areas of focus to achieve financial sustainability and service excellence:

- Strengthen the value of mail and sustain public service mission, including six-day mail delivery.
- Implement service standards that achieve service excellence 95 percent of the time.
- Innovate and launch USPS Connect.
- Modernize our delivery vehicle fleet and, with Congressional support, implement an electric fleet by 2035.
- Implement best-in-class processing operations.
- Implement best-in-class delivery operations.
- Implement a modern, transformed network of retail Post Offices.
- Implement a fully optimized surface and air transportation network.
- Stabilize and empower our workforce to include reducing pre-career turnover.
- Align organizational structure to support effectiveness.
- Support legislative and administrative actions.
- Implement a more rational pricing approach including a judicious implementation of new and existing pricing authorities.

Achieving the goals identified above in a timely manner will enable us to be financially self-sustaining, funding operating costs and capital investments, while fulfilling our universal service mission.

[2] More information on the DFA plan is available on our website at https://about.usps.com/what/strategic-plans/delivering-for-america.

Executive Summary

We published the DFA plan on March 23, 2021, with a 10-year plan to transform the United States Postal Service from an organization in financial and operational crisis to a world-class delivery service. Since then, we have systematically advanced core DFA plan strategies and initiatives.

We have begun the transformation of our processing and delivery network described in the DFA plan, and Congress and the PRC have implemented some of the needed legislative and regulatory changes specified in the DFA plan. Nonetheless, we require continued support from the Administration, Congress, the PRC, and our internal stakeholders to successfully implement management initiatives to achieve service excellence, improve efficiency, and sustain financial viability.

Some of the achievements in the first half of FY 2024 are:

- We have met our DFA plan volume targets for packages and exceeded our DFA plan volume targets for mail by leveraging our network to improve customer service.
- We continue to leverage USPS Ground Advantage, which was introduced in July 2023, as a simple, reliable and more affordable way to ship packages in two-to-five business days across the continental United States.
- We reduced costs by transitioning more mail and packages from the air network to our more efficient surface network.
- We have worked with our unions to create more career postal positions and improve training and development opportunities, creating a more stable and effective workforce.
- We have activated Regional Processing and Distribution Centers (RPDCs) in a number of locations, including Charlotte, North Carolina and Atlanta, Georgia.
- We have accepted delivery of the first left-hand drive (LHD) commercial off-the-shelf (COTS) Battery Electric Vehicles (BEV).
- We have committed over [redacted] to our facilities to address deferred maintenance and the lack of basic amenities.
- We continue region-by-region modernization and streamlining efforts to transform our legacy network into a more efficient system. This includes over [redacted] of capital commitments.

The remainder of this report provides detailed information related to each of the fifteen strategy elements specified by Congress in the PSRA.

Detailed Responses to the Fifteen PSRA Reporting Requirements

Strategic Focus #1: Mail and Package Volume Growth

Congressional Information Request:
The actual mail and package volume growth relative to any mail or package volume growth projections previously made or relied upon by the Postal Service, including a discussion of the reasons for the differences in projections and the associated adjustments being made.

USPS Response:
When the DFA plan was published, there was considerable uncertainty in the short-term future of the economy, and most publicly traded companies were not releasing forward looking statements. Even with this uncertainty, we have exceeded the volume targets set in that plan. Every year, we also issue an Integrated Financial Plan (IFP) for the following year based on current business and economic conditions. This section compares actual volumes with both the FY 2024 IFP projections and the projections in the DFA plan.

In FY 2024 Q1 and Q2, actual domestic package volume was 3.8 billion pieces, in line with our IFP target of 3.8 billion pieces and better than our DFA plan target of 3.5 billion pieces. Domestic mail volume (consisting primarily of letters, cards, Marketing Mail and Periodicals) was 54.3 billion pieces. This exceeded our DFA plan target of 49.9 billion pieces by 8.8 percent and our IFP target of 51.9 billion pieces by 4.4%.

Strategic Focus #2: Financially Viable Pricing Strategy

Congressional Information Request:
The effect of pricing changes on product volume for market-dominant and competitive products, and associated revenue effects on financial projections, including a discussion of the reasons behind the differences in projections and associated adjustments being made.

USPS Response:
The DFA plan projected a 4.5 percent price increase for mail products in January FY 2024, which included the use of pricing authority based on inflation and the authority obtained due to the retirement rate and density rate adjustors. Our actual January price change was much lower, at 1.97 percent, because of management's decision to utilize the retirement rate and density rate authorities in July rather than January.

The semiannual implementation of price increases for market dominant products is a new strategy to use our pricing authority most effectively, and to minimize the deleterious impacts of inflation on the Postal Service. This strategy has always been authorized by law, and price increases continue to be approved by the PRC. We still lack the pricing flexibility of private delivery companies, which commonly implement both annual price increases and routine changes to surcharges (for fuel, home delivery, etc.) to mitigate the impacts of high inflation.

As part of the rate cases that we file with the PRC for each price change, we project volume and revenue both with and without proposed price changes. These projections provide the best estimate of the relative impact of the price changes that have occurred. In general, higher prices will decrease volume, as the quantity demanded usually decreases with increasing price. Despite this lower volume, we estimate that the January FY 2024 price change will provide [redacted] in additional market dominant revenue in FY 2024.

Strategic Focus #3: Leveraging Postal Processing Facilities

Congressional Information Request:
Customer use of network distribution centers and processing and distribution centers.

USPS Response:
As part of our effort to improve our relevancy and competitiveness across the e-commerce landscape, we will fully utilize our logistics network and infrastructure to better connect with every person, business, and community across the country. Our Network Distribution Centers (NDCs) and Processing and Distribution Centers (P&DCs) allow customers to connect from any origin point to over 160 million delivery points, connecting 330 million people. Access to this unparalleled network is also provided to our large commercial customers for direct entry to enable bulk services and faster transit times. The P&DCs are leveraged to enter mail and package products at either origin for processing and distribution to the entire country, or at destination whereby mail and package products are entered to process and distribute to the local service area of the destinating plant. The NDCs provide similar entry and distribution services, though for a larger geographic service area.

In FY 2024 Q1 and Q2, there were 809 customers who inducted commercial mail directly at NDCs and 5,392 customers who inducted commercial mail directly at P&DCs. These represent some of our highest-volume customers. We transport volume that is entered at collection and retail points around the country to these locations for handling.

Strategic Focus #4: USPS Connect

Congressional Information Request:
The status of USPS Connect program and revenue effects of the program on the financial projections.

USPS Response:
Our USPS Connect suite of services provide businesses of all sizes direct access to our delivery network for affordable services like same-day and next-day delivery and returns in local, regional, and national markets. This suite of affordable solutions capitalizes on our ongoing network improvements, new processing equipment, and increased operational precision.

These programs continue to be in their initial phases and their greatest potential for success lies in our network realignment efforts. We expect that the revenue from these programs will continue to increase as they are further developed and as our network improvements and investments continue to enhance our USPS Connect offerings.

The following tables show the volumes and revenues attributed to each product for FY 2024 Q1 and Q2.

- **USPS Connect Local** offers expected same-day or next-day delivery to customers who are located within the same ZIP Code as participating USPS facilities. USPS Connect Local shipping and mailing supplies are available at no additional cost when postage is printed and paid through our Click-N-Ship application. USPS Connect Local was successfully piloted in Texas in 2021 and is currently available in 50 states after being rolled out nationally to more than 3,400 facilities in FY2022.

Figure 1. Volume and Revenue for USPS Connect Local

FY 2024 Reporting Period	USPS Connect Local Volume (Pieces)	USPS Connect Local Revenue ($)
Q1	[redacted]	
Q2		
FY 2024 Q1-Q2		

- **USPS Connect Regional,** rebranded and implemented in FY 2022, gives shippers who need expanded geographical reach direct access to our plants and distribution centers across the country for next-day and two-day delivery services. It reaches 81.7 percent of the U.S. population within one day and 100 percent within two days based on shippers dropping at strategically located plants throughout the country within the specified region. Shippers use published Parcel machinable rates to enter packages directly into our sortation network.

Figure 2. Volume and Revenue for USPS Connect Regional

FY 2024 Reporting Period	Regional Package Volume (Pieces in Millions)	Regional Package Revenue ($ in Millions)
Q1	[redacted]	
Q2		
FY 2024 Q1-Q2		

- **USPS Connect Returns** enhances our return shipping options through network and technology investments and improvements. USPS Connect Returns is addressed further in the response to Requirement 6, below.
- **USPS eCommerce** offers discounted rates to platforms and marketplaces looking to offer USPS products and services improving our overall package product volumes.

Strategic Focus #5: Competitive Shipping and Package Services

Congressional Information Request:

The use of Priority Mail, Priority Mail Express, First-Class Package Service, and Parcel Select services (as such terms are defined in the Mail Classification Schedule as in effect on the date of the enactment of this Act) among customers and associated revenue effects.

USPS Response:

USPS continues to be focused on strengthening our shipping solutions as part of the Postal Service's strategic plan for service excellence, on-time delivery, and revenue generation from enhanced package delivery services. On July 9, 2023, we successfully introduced USPS Ground Advantage, which is an enhanced ground solution that provides a simple, reliable, and more affordable way to ship packages in two-to-five business days across the continental United States. Ground Advantage is a rebranded and simplified offering that combines the traditional First-Class Package Service, Retail Ground, and Parcel Select Ground products.

At [redacted] in the first half of FY 2024, revenue for our key package products was [redacted], or [redacted] from the same period last year.

Figure 3. Volume and Revenue for Select Shipping and Package Products

Reporting Period: Oct 1, 2023 - Mar 31,2024	REVENUE $	VOLUME (Pieces)

[redacted]

Strategic Focus #6: USPS Connect Returns

Congressional Information Request:

The use of USPS Connect Returns service among customers, and associated costs and revenue effects.

USPS Response:
The USPS Connect Returns program is designed to provide an effortless return experience with convenient label printing, pickup, and packaging options. This service offers free package pickup and drop-off at more than 31,000 Post Office locations and 154,000 collection boxes.

Businesses can provide a return label directly or use the USPS Label Broker feature to provide a QR code. Scanning and package tracking provides detailed package location information to assist with inventory management of returned items.

During the first half of FY 2024, Parcel Return Service volume was [redacted] and revenue [redacted] compared to the first half of FY 2023.

Figure 4. Volume and Revenue for USPS Connect Returns

Reporting Period:
Oct 1, 2023 - Mar 31, 2024

[redacted]

Strategic Focus #7: USPS e-Commerce Marketplace

Congressional Information Request:
The use of USPS E-Commerce Marketplace among customers, and associated costs and revenue effects.

USPS Response:
The USPS Connect Local Directory continues to support the USPS Connect Local program. The Directory currently targets small businesses in the ZIP Codes serving USPS Connect Local. The Directory is located on USPS.com and provides a short description of each participating business along with the business logo, website, and phone number. These businesses have opted to participate, agreed to the terms and conditions for USPS Connect Local, and agreed to follow Postal Service guidelines for shipping when using our services. Currently 12 businesses are featured as part of the Directory.

To provide USPS customers with a best-in-class experience and expansion of the program, development of an application to support the directory continued in Q1 and Q2 FY 2024. The enhanced directory will feature search capabilities (location, type of company) as well as a tool to make it easier for USPS to upload the company assets (logo, web URL, phone number and brief description about the company) to the directory.

This program was provided for the convenience of our customers and to allow them to build their brands through their affiliation with us; while this provides a benefit to the Postal Service, the program does not directly generate revenue. The costs to sustain the current user experience and begin development of the new experience were [redacted] in Q1 and [redacted] in Q2 of FY 2024.

Strategic Focus #8: A Reliable, Efficient and Cost-Effective Transportation Network

Congressional Information Request:
Updates on the reliability, efficiency, and cost-effectiveness of the transportation network, including the manner in which ground transportation is utilized over air transportation for types of market-dominant products and competitive products.

USPS Response:
We are using the strength of our surface network to reduce transportation costs and provide more on-time deliveries. The implementation of the service standard changes to First-Class Mail (implemented on October 1, 2021) and First-Class Package Service (implemented on May 1, 2022) allowed us to select the most effective mode of transportation to reduce costs and improve reliability. The share of First-Class Mail volume transported on the air network has decreased and stabilized at around [redacted] The Ground Advantage portion in the air has stabilized at around [redacted].

Figure 5. Share of First-Class Mail and Packages Sent on Air and Transportation Networks

	First-Class Mail		First-Class Packages / Ground Advantage	
	%Air	%Surface	%Air	%Surface
FY 2023 Q1	[redacted]			
FY 2023 Q2				
FY 2024 Q1*				
FY 2024 Q2*				

*Ground Advantage Lightweight volume is used beginning 07/09/2023.

As it is generally much more costly to transport via the air network than via the surface network, this has resulted in significant cost savings, which are expected to accrue into FY 2024:

Figure 6. Estimated Savings from the Transition from Air to Surface Transportation

	Change in Air Costs	Change in Surface Costs	Net Savings
FY 2023 Q1	[redacted]		
FY 2023 Q2			
FY 2024 Q1			
FY 2024 Q2			

FY 2023 and FY 2024 cost analysis includes Freight Auction trips attributed to the air to surface mode changes.

Figure 7. On-Time Service Performance for the Products with Service Standard Changes

	First-Class Mail	First-Class Packages / Ground Advantage
FY 2023 Q1	[redacted]	
FY 2023 Q2		
FY 2024 Q1*		
FY 2024 Q2*		

*Ground Advantage Lightweight volume is used beginning 07/09/2023.

Moving lanes from air to surface more closely aligns transit times to service standards. The decrease in service performance and the modest increase in delivery times in FY 2024 Q1 and Q2 are aligned with a number of factors that have temporarily affected performance, including challenges in executing several network and processing changes and the need to conduct an emergency insourcing of several outsourced Surface Transfer Centers due to a supplier bankruptcy.

Figure 8. Average Days to Deliver for the Products with Service Standard Changes

	First-Class Mail	First-Class Packages/ Ground Advantage
FY 2023 Q1	[redacted]	
FY 2023 Q2		
FY 2024 Q1*		
FY 2024 Q2*		

*Ground Advantage Lightweight volume is used beginning 07/09/2023

Strategic Focus #9: Enhancing Recruitment, Well-being, and Retention

Congressional Information Request:
A review of efforts to enhance employee training, safety, and well-being, including associated effects on employee recruitment, satisfaction, and retention.

USPS Response:
During the first half of FY 2024, we have made progress on several strategic initiatives to improve engagement across the organization and enhance training, safety, and well-being for our entire workforce. This has included enhanced recruitment and marketing efforts, improving, and expanding access to training and development opportunities to promote career development and improve employee retention, and continuing to emphasize, educate and reinforce safe practices to maximize employee safety and well-being.

Enhanced Recruitment & Marketing

We are continuing to examine and enhance our recruitment and marketing efforts to fill our pre-career and front-line supervisors job opportunities. These strategies include:

- Increased focus on leveraging our employees to post and repost approved content on the social media platforms and investing in advertising through Facebook, X (formerly Twitter), and Instagram to reach potential candidates online and to advertise hiring fairs held across the country.
- Conducted over 5,000 live job fairs across the country to recruit and educate potential applicants for entry-level positions in our most important operations (processing and delivery) in addition to skilled maintenance, motor vehicle drivers and vehicle maintenance positions.
- Deployed the first phase of a new online Applicant Tracking System. This system is fully compatible with mobile phones and greatly improves the applicant experience.
- Hosted the first of four virtual job fairs to educate and equip prospective supervisor candidates with information needed to be their most competitive in the hiring process.

Promote Career Development and Employee Retention

As we continue to focus on better engagement and retention, we:

- Managed career complement through peak season to improve the stability of our career workforce and improve scheduling, which have has resulted in greater efficiency and a better work environment.
- Continued a pilot program with the National Association of Letter Carriers (NALC) that improves engagement of newly employed City Carrier Assistants (CCAs) through a structured welcome to the unit, a welcome kit, a scheduled day off, a posted work schedule, consistent route assignments, and 30-, 60-, and 80-day progress reviews.
- Executed the New Employee Mentor Program, created through a joint subcommittee with the NALC, to assign a peer mentor to CCAs.
- Announced the FY 2024 Career Conferences schedule. Over 50 conferences are planned for this fiscal year, starting in April, to promote upward mobility, educate our employees about what job opportunities are available and to support their ongoing growth and development.
- Trained front-line supervisors through the USPS Supervisor Program.
- Introduced the Supervisor Apprentice Program pilot for logistics and maintenance to train newly promoted supervisors. The pilot has also been expanded to customer service and processing operations.
- Kicked off the administration of our annual talent review process for Officers as a part of our Corporate Succession Planning program.
- Launched revised leadership programs as a part of our succession planning program.
- Expanded the number of seats available for our management and leadership courses for FY 2024.
- Launched an updated Sales and Services Associate Academy training course.
- Continued capital investments to enhance working conditions for employees, including new vehicles with air conditioning and advanced safety features, and amenities to include new lockers, carrier cases, and equipment at our new delivery and processing facilities.
- Launched the expanded learning library with over 120,000 learning resources to include, audiobooks, textbooks, hands-on practice labs, skills benchmark assessments and professional certification preparation courses to support professional development.

Enhance Employee Safety and Wellbeing

During the first half of FY 2024, we focused on improving the safety programs in our logistics operations. We:

- Updated on-the-job instruction materials to focus on truck and dock related safety concerns.
- Developed specialized driver training for both CDL and non-CDL drivers.
- Conducted safety inspections for all logistics facilities.
- Enhanced our reporting tools to separate logistics from processing, allowing us to focus on reducing motor vehicle accidents with large trucks and better identify dock-related hazards. This provides visibility into all accidents related to logistics operations.
- Designed accident investigation training focused on truck-related motor vehicle accidents.
- Created a new tracking system to easily identify driver safety instructors and ad-hoc driver safety instructors with CDL certification.

Strategic Focus #10: Increased Efficiency Through Improved Employee Allocation

Congressional Information Request:

A review of efforts being made to improve employee allocation, including changes of non-career employees to career status, and any associated impacts to operational expenses and processing, transportation, and delivery efficiency.

USPS Response:

Over the last three years, we have undertaken a right-sizing effort in mail processing to better align the workforce with operating plans and equipment needs, reduce the overtime demand on employees, and improve employee engagement and retention. We will continue to fortify our career workforce to rely less on part-time and seasonal employees. Reducing employee hours will improve retention and reduce the costs of attrition. In addition, having a more robust career workforce will alleviate shortfalls in seasonal hiring.

Improving Employee Allocation

We continue to take action to stabilize the career workforce and align work hours with current volume levels. In Q1 and Q2 of FY 2024, there were 23,606 conversions into career positions. The organization reduced total work hours by 8.5 million hours, or 1.4%, in quarters 1 and 2 of FY 2024 compared to the same period in FY 2023.

Delivery

We continue to work with the National Rural Letter Carriers Association (NRLCA) and NALC to stabilize our carrier workforce. In the first half of FY 2024, we have added 3,139 career City Carriers and 598 career Rural Carriers. An additional 40 delivery units have been added to our agreement with NALC to convert CCAs to career PTF City Carriers. City Carrier staffing models provide targeted staffing levels for each unit that are used to determine hiring needs.

Mail Processing

During Q1 and Q2 of FY 2024, we continued to focus on precision, efficiency, service, and a culture that fosters success. We streamlined our operations with the implementation of RPDCs in Portland, OR and

Atlanta, GA. We decreased mail processing work hours by approximately 4.7 million and our overtime rate in response to lower volumes.

We continue to focus on flexibility, limiting delays to a single day, and cutting out costs. This peak season, we reduced costs by hiring 11,000 fewer people than in the prior year, using 19 fewer annexes, and reducing our manual package processing by 22% across the country. We will continue these efforts in our mission to eradicate manual package processing year-round, whether by moving products to an automated location or deploying automation where needed.

We have seen a significant improvement in the pieces of packages processed per work hour, with 152 packages processed per work hour this peak season, compared to 138 packages processed per work hour in last peak season. We will continue to reduce costs through increased efficiency.

We also implemented a strategy called "Go East Go West," which condenses products from the plants in a region into a single container to be sent to a regional hub to be processed with packages originating from that location. This further streamlines our network by reducing transfers and streamlining our transportation from origin to region.

We are currently improving productivity by processing more volume with fewer work hours and ensuring that employees are informed of what they need to do to ensure that we achieve our goals. Getting that information to the front line is the key, and for the first time, we're bringing the employee and production together to track efficiency. We always strive to be better than we were the day before.

Transportation

We continue to implement efforts to recruit Postal Vehicle Service drivers, including:

- Weekly job postings on USPS.com and our internal network
- Social media ads across Facebook, X, and LinkedIn
- In-person job fairs
- Postings on Craigslist and CDL Jobs
- Radio ads
- Internal banners and flyers
- Vehicle decals

These efforts have allowed us to increase our on-rolls drivers by [redacted] employees so far, this fiscal year. This increase in complement has allowed us to continue to reduce overtime and penalty overtime costs, and to reduce regular overtime by [redacted] hours in the first half of the fiscal year.

We launched a new employee type, Postal Vehicle Operators (PVOs), in Fiscal Year 2023 and were able to hire [redacted] PVO Drivers thru March 2024 in Oklahoma City, Richmond and Athens Georgia. PVOs are non-CDL drivers who can operate box trucks weighing under 26,000 lbs. These operators allow us to reduce our reliance on costly contracted transportation.

Strategic Focus #11: Investing for the Future

Congressional Information Request:
The rate of planned investment into Postal Service processing, transportation, and delivery equipment and infrastructure for market-dominant and competitive products, and a review of any associated effects on operational expenses and efficiency.

USPS Response:
After decades of underinvesting in capital projects, we have embarked on a multi-year, multi-billion-dollar modernization program to build a best-in-class processing and delivery operations network connected by a fully optimized surface and air transportation fleet. In FY2024, we have implemented additional new RPDCs and Local Processing Centers (LPCs), and Sorting and Delivery Centers (S&DCs). The S&DC rollout combines delivery operations from smaller delivery units into larger, standardized, optimally located delivery units. The new S&DCs feature advanced package sortation equipment, charging infrastructure for electric delivery vehicles, and optimized transportation to and from processing facilities.

We have continued a sweeping effort to modernize and replace our aging vehicle fleet and invest in the larger delivery vehicles needed to deliver higher package volumes. We have accepted delivery of the left-hand drive commercial off-the-shelf BEVs. We will receive the first Next Generation Delivery Vehicles in early June.

We continue to invest heavily in improving package processing capabilities to increase package processing capacity through the deployment of new sortation equipment. We have begun installation of the third state-of-the-art Matrix Regional Sorter (MaRS). We have begun Phase 4 deployment of 100 additional machines for our Small Delivery Unit Sorter (SDUS) program. These machines support automated package processing across the network. We continue to deploy High Output Package Sorter machines at various RPDCs nationwide.

Alongside the S&DC and RPDC rollout, we are investing in our facilities to correct years of deferred maintenance. Underinvestment has led to facilities that are in disrepair and lack basic amenities. We have committed over [redacted] in Q1 and Q2 FY2024 to improve these facilities.

We continue to develop a more strategic and agile process for capital investment planning, review, and allocation to ensure we use our limited resources for investments that best align to the goals in the DFA plan. Capital commitments and planned, continued investments for the reporting period are described in more detail in response to Strategic Focus #14.

Strategic Focus #12: Creating an Efficient Processing Network to Meet Modern Customer Needs

Congressional Information Request:
Changes to network distribution centers and the expansion of regional processing and distribution centers, including costs associated with the changes and any realized reduction in operational expenses or improved resource efficiencies.

USPS Response:
As of the end of this reporting period, we have completed the physical conversion of roughly one-third of the Atlanta NDC into an S&DC. The S&DC was activated in the second quarter of FY 2024.

In the Chicago NDC, all obsolete and unused equipment has been removed while current package processing operations have been maintained. In the newly available space, a new MaRS has been installed and is currently processing packages as of the first quarter of FY 2024. The remainder of the building is currently under final design review, with work scheduled to start later in FY 2024 and complete in FY 2025.

The Jacksonville NDC is also being modernized. Some existing operations were temporarily relocated to an annex operation to allow the removal of obsolete equipment and building modifications. This work will continue through FY 2024.

We have many ongoing facility projects and are endeavoring to accomplish the following during the remainder of 2024:

Completion of Initiated Regional Processing and Distribution Centers (RPDCs)

RPDCs are larger, new or renovated processing facilities equipped to handle substantial truck traffic, aggregate large volumes of mail and packages, and perform a high volume of selected mail and package processing functions as well as cross-docking operations. Our plan currently provides for 60 locations (some may be a multiple facility configuration) to be deployed throughout the country. We have several underway in various stages of progress. In many cases these are existing facilities that we will refurbish and equip to perform our required operations in a more standardized and consistent way with a dramatically improved work environment. The projects underway and their status are identified below:

1. Richmond, Virginia - an existing 680,000 square foot facility substantially complete and operating, awaiting further conveying equipment to be installed in first quarter of next year.
2. Palmetto, Georgia - a new 1,200,000 square foot facility substantially complete and substantially operating awaiting some additional equipment and facility adjustments.
3. Gastonia, North Carolina - a new 700,000 square foot facility substantially completed and partially operating.
4. Chicago, Illinois – an existing 720,000 square foot facility currently being substantially renovated and equipped and partially operating. Expected completion prior to year-end.
5. Portland, Oregon - an existing 780,000 square foot facility substantially complete and operating, awaiting further material handling equipment to be installed prior to the end of the year.
6. Boise, Idaho - an existing 300,000 square foot facility substantially complete and operating, awaiting further material handling equipment to be installed prior to the end of the year.
7. Houston, Texas - an existing 850,000 square foot facility currently being substantially renovated and equipped and partially operating.
8. Indianapolis, Indiana - a new 1,200,000 square foot facility in various levels of completion by function awaiting additional equipment installation. Partially operating for package sortation with increasing functionality and volume through the end of 2024.
9. Jacksonville, Florida - an existing 780,000 square foot facility currently being substantially renovated and equipped. Partial operations to begin this fall. Expected completion prior to year-end.

10. Jersey City, New Jersey - an existing 1,400,000 square foot facility currently being substantially renovated and equipped and partially operating for package sortation. Expected completion in September of 2025.
11. Greensboro, North Carolina - an existing 460,000 square foot facility currently being substantially renovated and equipped and partially operating. Expected completion in September of 2025.
12. Phoenix, Arizona - a new 500,000 square foot facility in various levels of completion by function awaiting additional equipment installation. Initial operations begin for package sortation in September 2024.
13. Santa Clarita, California - An existing 650,000 square foot facility receiving a 200,000 square foot addition scheduled for completion in 2026.

Local Processing Centers (LPCs)

LPCs are destinating oriented mail and package processing centers and cross dock operations consisting almost entirely of renovated existing facilities. These facilities are being equipped to handle selected mail and package processing functions as well as cross-docking operations. Our plan currently provides for approximately 190 of these locations (some may be a multiple facility configuration—some may be configured inside an RPDC) and will be deployed throughout the country. We have many renovation and equipment installation projects underway in various stages of progress. As stated above, many of these are existing facilities that will be refurbished and equipped to perform our required operations in a more standardized way with a dramatically improved work environment. The projects underway and their status are identified below:

1. Richmond, Virginia LPC – Configured and fully operating within the newly renovated Richmond RPDC.
2. Norfolk, Virginia LPC – an existing 200,000 square foot facility equipped and fully operating.
3. Portland, Oregon LPC – Configured and fully operating within the newly renovated Portland RPDC.
4. Medford, Oregon LPC – an existing 100,000 square foot facility currently being renovated and equipped and is substantially operating.
5. Eugene, Oregon LPC – an existing 150,000 square foot facility currently being renovated and equipped and is substantially operating.
6. Duluth, Georgia LPC - an existing 600,000 square foot facility currently being substantially renovated and equipped and is partially operating.
7. Atlanta, Georgia LPC - an existing 400,000 square foot facility currently being substantially renovated and equipped and is partially operating.
8. Macon, Georgia LPC – an existing 100,000 square foot facility currently operating.
9. Augusta, Georgia LPC – an existing 100,000 square foot facility currently operating.
10. Boise, Idaho LPC – An existing facility, configured and fully operating within the newly renovated Boise RPDC.
11. Pocatello, Idaho LPC - an existing 50,000 square foot facility fully operating.
12. South Houston, Texas LPC - a new 400,000 square foot facility under construction substantially completed and equipped and partially operating.
13. Beaumont LPC – An existing 150,000 square foot facility currently being renovated and equipped.

14. Charlotte, North Carolina LPC - an existing 400,000 square foot facility under total renovation with significant equipment additions and currently not operating. Operations will be relocated back to the facility prior to the end of this year.
15. Johnson City, Tennessee LPC - a new 100,000 square foot facility under renovation and being equipped. Operations to commence in 2025.
16. Greenville, South Carolina LPC – an existing 250,000 square foot facility to be renovated and equipped in 2025.
17. Jacksonville, Florida LPC – An existing 300,000 square foot facility currently being renovated and equipped.
18. Tallahassee, Florida LPC – An existing 150,000 square foot facility currently being renovated and equipped.
19. Indianapolis, Indiana LPC – An existing 400,000 square foot facility to be equipped for 2025 commencement.
20. Fort Wayne, Indiana LPC – An existing 100,000 square foot facility to be equipped for 2025 commencement.

As laid out above, nearly all these RPDC and LPC facilities are existing and operating. The work we are engaging in with these initiatives is to catch up on 20 years of deferred maintenance, upgrade 30-year-old technology, install modern sortation equipment and rearrange our production floor layout to logically accommodate the difference between the size of a letter and the size of a package. We also conducted Mail Processing Facility Reviews (MPFRs) during FY 2024 with respect to certain other facilities that we plan to convert to LPCs by moving certain processing operations but have paused the movement of those operations at least until after January 1, 2025.

Sorting and Delivery Centers (S&DCs)

S&DCs are the Postal Service's new concept to aggregate small delivery units and the mail carriers that worked there into larger, fully renovated, and equipped delivery units. These facilities are almost entirely existing underutilized facilities long ago eliminated from their original use. They are in significant disrepair and now may have small carrier units and are performing random storage functions. As these were formally plants, they have significant parking, work floor space, docks and electrical infrastructure. Our plan currently provides for several hundred of these facilities and large delivery units to be renovated and newly equipped, which will enable them to accommodate our newly acquired package sorting equipment and 66,000 Electric Vehicles over the next few years. These will also be a significant contributor to the growth we aspire to have in our regional package delivery business. These facilities will enable us to be the delivery provider of choice, not just for e last mile, but for the last 150 miles. To date, we have deployed 55 S&DCs and will deploy an additional 28 prior to September 30, 2024, at the following locations.

1. Boston, MA SDC
2. Ft. Lauderdale, FL SDC
3. Hicksville, NY SDC
4. Kalamazoo, MI SDC
5. Lakeland, FL SDC
6. New Brunswick, NJ SDC

15. Carbondale, IL SDC
16. Columbus Oakland Park, OH SDC
17. Dayton, OH SDC
18. High Point, NC SDC
19. La Cross, WI SDC
20. Lake Charles, LA SDC

7.	Newark, NJ SDC	21.	Olympia, WA SDC
8.	Orange, CA SDC	22.	Sarasota, FL SDC
9.	Phoenix Rio Salado, AZ SDC	23.	Severna Park, MD SDC
10.	Saint Petersburg, FL SDC	24.	Shawnee Mission, KS SDC
11.	Southern Maryland, MD SDC	25.	Southern Connecticut, CT SDC
12.	Springfield, MA SDC	26.	Vineland, NJ SDC
13.	Stockton Airport, CA SDC	27.	Wilkes Barre, PA SDC
14.	Acworth, GA SDC	28.	York East, PA SDC

This network modernization is expected to lead to significant improvements in service performance, revenue growth, employee work conditions, greenhouse gas emissions, and cost efficiency.

Strategic Focus #13: Achieving Ambitious Service Targets

Congressional Information Request:
Review of the ability of the Postal Service to meet performance targets established under section 3692(a)(1) of title 39, United States Code.

USPS Response:
USPS is committed to ultimately meeting or exceeding 95 percent on-time delivery across mail and product classes. Service performance for package services exceeded our target and increased from the previous year, as the table below shows. For the other market-dominant products, there has been a decrease in service performance in FY 2024 Q1 and Q2 due to a number of factors that have temporarily affected performance.

Figure 9. On-time Service Performance for FY 2024 Q1 and Q2

	FY 2024 Q1 & Q2 Performance	FY 2024 Target	FY 2023 Q1 & Q2 Performance	FY 2023 Target
First-Class Mail	85.02	92.50	90.97	92.50
Marketing Mail	93.66	94.62	94.22	93.64
Periodicals	82.34	87.29	85.45	85.75
Package Services	95.43	90.00	95.04	90.00

Strategic Focus #14: Investing in a Better Network

Congressional Information Request:
A discussion of the progress of the Postal Service in achieving any new, self-funded investments, including the amounts realized and expended to date, and a discussion of the reasons behind any disparities in the assumptions regarding the expected progress of the Postal Service getting new, self-funded investments to accommodate changes.

USPS Response:
As part of our DFA plan, we are committed to investing in our processing, delivery, and transportation equipment. This includes modernizing and streamlining our facilities infrastructure, updating our processing equipment to meet modern mail and package mix demands, and replacing our aging vehicle fleet. In FY 2024 Q1 and Q2, we committed [redacted] in capital investment funding. This amount does not include BEV infrastructure funded by the Inflation Reduction Act.

Some of the most important newly approved investments are described below. These are major investment programs that began in Q1 and Q2 FY2024 and were selected to represent diverse and material investments that contribute to fulfilling the DFA plan.

Atlanta, GA LPC and Crown Road S&DC

We are transforming mail and package processing for the Atlanta area in accordance with the Delivering for America network transformation plan. The activation of the Atlanta RPDC has centralized all outgoing and package processing operations for the Atlanta region.

In addition to commissioning new state-of-the-art facilities like the Atlanta RPDC, we are modernizing existing facilities to support our new integrated network. The next phase will be the conversion of the USPS-owned P&DC into the Atlanta LPC and Crown Road S&DC. The converted building will house destinating letters and flats mail processing operations for much of the Atlanta region. The facility will also house an S&DC to consolidate local delivery services. The consolidation of multiple delivery operations into the S&DC will increase service reach and reduce transportation trips. Equipment relocation, procurement, and refurbishment will provide for more efficient mail processing which, will result in reduced work hours.

Charlotte, NC LPC

We are overhauling mail and package processing for the Charlotte area, as we did for the Atlanta area. The Charlotte RPDC is now processing packages with its new state-of-the-art high-speed package processing equipment. Some of these packages were formerly processed by the Mid-Carolina P&DC, which we will now refurbish into the Charlotte LPC with overhauled mail processing equipment and IT systems. The Charlotte LPC will house letter and flat operations from the Greenville P&DC, Johnson City P&DC, Charlotte P&DC, and Mid-Carolina P&DC. This investment will enable the relocation of operations from deteriorating facilities.

Chicago, IL P&DC Parking Structure Upgrade

We will complete repairs to the Chicago P&DC parking structure to address structural defects, concrete cracking, and expansion joint and sealant failures. The parking structure is over 27 years old and shows signs of significant wear, including a severely deteriorated ceiling, cracks in the concrete, delamination, and concrete surface spalling. Repairs to loading docks, truck ramps, and vehicle maneuvering areas are particularly important, as most operations in the structure take place in these areas. This work will ensure the safety of Postal employees and prolong the life of the structure.

Mail Processing Equipment Infrastructure Upgrades

We will modernize and upgrade aging legacy computer hardware and operating systems used on essential mail and package processing and support equipment to ensure its continued, secure operation.

Improvements will impact Automated Delivery Unit Sorters, Mail Processing Infrastructure Workstations, Plant Scanning Systems, Return Merchandise Systems, and WebAPAT Storage Servers. We will upgrade the Automated Parcel and Bundle Sorter System Controller hardware and the Biohazard Detection System controllers operating system. This program will also replace the end-of-service, unsupported network switches on all Delivery Bar Code Sorter Input/Output Sub-System machines and all Combined Input/Output Sub-System machines.

Small Delivery Unit Sorter - Phase 4

We will deploy an additional [redacted] SDUS machines across our revamped network to enhance package processing and reduce operational costs. We will deploy [redacted] machines to delivery units, [redacted] machines to S&DCs, and [redacted] machines to RPDCs. These machines will enable further automated sorting of packages to carrier routes in new S&DCs and delivery units and will support package processing in RPDCs. Additionally, [redacted] SDUS machines will be upgraded to SDUS Plus machines, which will have significantly higher belt speed and throughput due to the addition of an induction conveyor and upgraded software and control systems. Further, [redacted] of the new machines will be SDUS Plus machines.

PSRA Reporting Requirement #15: Additional Information

Congressional Information Request:
Any other information the Postal Service determines relevant, such as barriers or unanticipated events, in order to help the Postal Regulatory Commission, Congress, the President, and the American public evaluate the success or difficulties faced by the Postal Service in implementing the reform plan.

USPS Response:
We are committed to achieving the objectives of the DFA plan and, as this report demonstrates, we are well underway. Developing an adequately integrated mail and package network as required by law requires changes that will meet resistance from many angles. Nonetheless, we must press forward – delays on these initiatives will prevent us from achieving our financial and service objectives. Some of the cost-saving and revenue-generation gains will require three to five years for results to be fully realized on our income statement; only then will we be cost effective and viably competitive. We are confident that we can build the Postal Service that America needs with the cooperation of our stakeholders.

In implementing our DFA plan going forward, we face the following special circumstances and impediments:

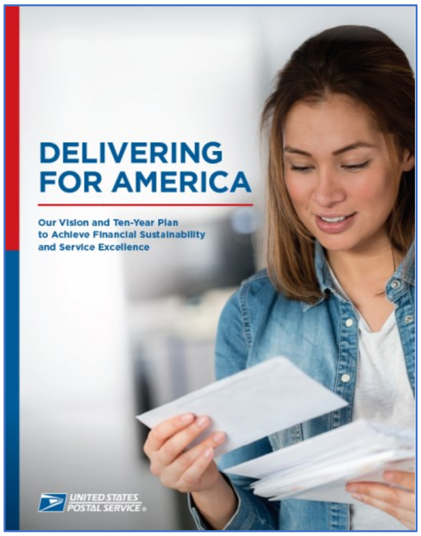
1. The additional challenge of modernizing our legacy postal infrastructure and processes while we continue to deliver mail and packages six and seven days a week. This can create tension between maintaining service and the scope and pace of transformation needed.
2. High inflation and supply chain disruptions, which have significantly increased USPS labor, fuel, energy, equipment, and facility costs.
3. Industry resistance expressed directly, to the PRC or to Congress, which can slow or distract management efforts to implement efficient processing operations or cost recovery through regulatory pricing adjustments.
4. Our collective bargaining process, where necessary changes to work rules that impact employees, wages, hours, and working conditions must be notified and negotiated with our

unions and have the potential to cause delays in implementation. Employee availability has been a persistent challenge to service as the transformation is implemented.

5. Our highly regulated environment, with considerable oversight from multiple stakeholders, often with conflicting interests, preferred outcomes, and perspectives.
6. Proposed legislation, often inspired by political or public policy priorities, creates tension between dual Postal Service mandates of financial self-sufficiency and universal service.
7. The Appropriations process, which can introduce annual financial uncertainty, and at times operational delay, confusion, or headwinds due to opportunistic appropriations riders.
8. Speed-to-market delays for product innovation as created by unnecessary and burdensome regulatory processes.
9. Delay, financial impact, or public distraction caused by Congress placing priority for strictly parochial concerns, over the overall organizational progress and financial progress of transformation.

We have begun the transformation of our processing and delivery network described in the DFA plan, and Congress and the PRC have implemented some of the needed legislative and regulatory changes specified in the DFA plan. Nonetheless, we require continued support from Congress, the PRC, and our unions to successfully implement management initiatives to achieve service excellence, improve efficiencies, and sustain financial viability.

Delivering for America



To learn more about the **Delivering for America** plan and the latest status of our implementation efforts, visit our website at: https://about.usps.com/what/strategic-plans/delivering-for-america.