



## 3661 FACT SHEET

### USPS Operational Improvements and Corresponding Refinements Within Existing Service Standard Day Ranges

**Overview:** The USPS has announced operational improvements and corresponding refinements within existing service standards that will enhance service reliability, cost efficiency, and overall productivity. Service standards reflect USPS's commitment on the number of days it should take for mail to travel from its origin to its destination. For example, our updated service standards allow a customer to look up how long it will take a piece of mail to get from a specific ZIP code in Kansas City, MO to its final destination in Akron, OH.

The proposed operational changes will modernize our ground transportation network to reflect changing customer needs, reduce costs to become financially self-sufficient, and provide more predictable and reliable service while maintaining our commitment to delivering First-Class Mail and USPS Ground Advantage to every household in the United States within 5 days. The proposed refinements to our existing service standards reflect the operational changes and will be easier to understand for our customers.

These actions are in direct response to the more than 10-years the Postal Service operated under a broken business model that amassed more than \$87 billion in losses from 2007 through 2020. Once fully realized, these actions will position us to better utilize our existing ground network, streamlining our approach to delivering both mail and packages efficiently and on time, while enabling us to adhere to the Postal Service Reform Act of 2022 mandates on the continued transportation of letters and packages within an integrated network. The refinements to our existing service standards will enhance service reliability, improve the daily reach of mail when traveling through the network, and are projected to reduce costs by approximately \$3 billion annually. These changes are a crucial step toward achieving financial sustainability while upholding our mission to serve every U.S. household at least 6 days per week.

We remain committed to maintaining operational excellence as we implement these initiatives. To avoid disruptions during election and holiday seasons, further operational changes related to these refinements will not be implemented until 2025.

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### Operational Improvements/Corresponding Refinements Within Existing Service Standard Ranges:

#### What is Changing?

USPS is in the process of shifting to a new network that better reflects the changing needs of our customers and the changing dynamics of their use of the mail, allowing us to deliver mail more efficiently—in many instances paired with speeding up service standards. Our network was originally built around Single Piece First-Class letters (an individual piece of mail with a stamp, often tendered at a Post Office, individual residence, or Blue Box), but since 1997, that volume has declined 80%, requiring us to shift from a network centered around individual pieces of mail to a network that is built around both letters and parcels.

To optimize our delivery based on this new network, we are implementing four key changes to our operations and our service standards:

1. Introduction of 5-Digit to 5-Digit ZIP code (5D-to-5D) Service Standards: Transition from 3-Digit to 3-Digit standards to more precise 5-Digit to 5-Digit standards, enabling customers to look up any two 5-Digit ZIP codes and more precisely understand the service they will receive between those points.
2. Regional Transportation Optimization (RTO): Consolidation of delivery and collection activities: for Post Offices far from regional hubs, pick-up and drop-off of mail will occur primarily in the morning. This consolidation will provide flexibility in our transportation scheduling, bring a significant amount of mail volume into USPS plants sooner to begin processing earlier, and reduce local transportation costs, carbon emissions, and truck trips through American neighborhoods.

3. **Expand the Network's Reach Per Day:** We will expand our reach in the transportation network, which enables mail and packages to travel further within a day between our processing plants, thereby improving service expectations. For example, a piece of First-Class Mail that is currently traveling 22 hours through the transportation network, has a 4-day service standard. In the future, 22 hours of network travel time will have a 3-day service standard.
4. **Local Service:** Within our network, for certain areas, all local mail will receive a 3-day commitment, at the slowest. In some instances, we will achieve a 2-day standard. This supports local commerce growth, enabling local communities to benefit from clearer service expectations

**What does this mean for my mail?** Delivery for approximately 75% of First-Class Mail will not be impacted by the refinements to our current service standards, and around two-thirds of mail will be delivered in 3 or less days. All First-Class Mail and USPS Ground Advantage will continue being delivered within 5 days. Our other products, like Marketing Mail and Periodicals, will also see improved service standards, with the day ranges for those products being shorter overall than they are today.

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### **Why Are We Making These Changes?**

These changes position us to better utilize our existing ground network, streamlining our approach to delivering both mail and packages efficiently and on time, while enabling us to adhere to the Postal Service Reform Act of 2022 mandates on the continued transportation of letters and packages within an integrated network. The refinements to our existing service standards will enhance service reliability, improve the daily reach of mail when traveling through the network, and are projected to reduce costs by approximately \$3 billion annually. These changes are a crucial step toward achieving financial sustainability while upholding our mission to serve every U.S. household at least 6 days per week.

**This is an integrated network**, so our package and mail products will benefit across the board. The service standards we set for First-Class Mail are also aligned with all of our other products. For the first time, our service standards will be interconnected, enabling integrated material flows rather than being defined by multiple disparate networks.

- Marketing Mail and Package Services, and Periodicals will be transported on the new network, modernizing their standards.
- Ground Advantage packages will gain extended reach.
- Package Services (such as Library Mail and Media Mail) will similarly benefit from extended reach.

### **Frequently Asked Questions:**

1. **Will the changes slow down a significant portion of mail?** No. Overall, more mail will move quicker than before, and the vast majority of mail will keep the same service standard. While some end-to-end products may experience an additional day, the efficiency of the new network is expected to advance much of this volume. Additionally, no First-Class Mail will be delivered later than 5 days within the continental United States.
  2. **Will these changes affect timely delivery of Election Mail?** No. Election Mail will be prioritized and expedited to ensure timely delivery, as is always the case. No refinements to our existing 1-5 day service standards will go live before the 2024 General Election. Further, as is the case with all elections, USPS will pursue extraordinary measures to ensure timely ballot delivery and will continue working with Boards of Elections to ensure clear communication regarding Election Mail.
  3. **What is the impact on medication deliveries?** A majority of our major pharmaceutical mailers tender volume directly to our plants, meaning that medications should be delivered at their current speed or faster.
  4. **How will these changes affect rural areas?** USPS will maintain its commitment to universal service, ensuring reliable delivery to all communities regardless of distance.
  5. **Will these changes degrade overall service quality and increase costs?** No. These changes are designed to save costs, maintain or improve service levels for most mail and packages, and allow for volume advancement whenever possible. They ensure connectivity and the efficient delivery of essential items like medicines and ballots.
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