

VOLUME 1 · ISSUE 3

The Eagle

PUBLISHED QUARTERLY FOR EMPLOYEES OF THE UNITED STATES POSTAL SERVICE®

MAGAZINE

DELIVERING AMERICA'S COVID-19 TEST KITS

...sure Americans have tests on hand if a need arises, the Biden administration is purchasing one billion at-home, rapid COVID-19 tests to deliver to Americans for free. A half-billion tests will be available for order on January 19th and will be mailed directly to American households.



What to know about COVID-19 tests at the White House

USPS delivers more than 270 million COVID-19 test kits

There will be free tests available for every household, and access to the official program will allow four free tests to be received at each residential address. Starting January 19th, Americans will be able to order tests at [usps.com](https://www.usps.com/covid19tests), and tests will typically arrive within 7-10 business days.



Mailin' it!

The Official Podcast of the United States Postal Service

Nearly every person in America experiences the Postal Service every day — by saying hello to a mail carrier, passing postal vehicles on the street, visiting a Post Office™ location or just by the simple act of reading one's mail at the end of the day. But really, how well do you know the United States Postal Service?

Mailin' It! takes you behind the scenes and explores the rich role and history of a thoroughly American institution. Join our hosts Yasmine Di Giulio and Dale Parsan for a fun look at your United States Postal Service.

Visit about.usps.com/newsroom or scan the QR code below to begin listening.



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ON THE COVER

USPS delivered more than 270 million COVID-19 test kits, a testament to progress in USPS package delivery capacity and on-time performance under the Delivering for America plan. Find out more at about.usps.com/what/strategic-plans/delivering-for-america.

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With this third edition of *The Eagle* magazine, our public service mission is front and center as we examine an important assignment from the Biden administration: to support the nation's public health strategy by delivering 500 million COVID-19 test kits throughout the country. This effort not only reflects the unique mission of the Postal Service to reach and support every American community, it is evidence of the solid progress the organization has made in expanding our package delivery capacity and our on-time performance — all resulting from the implementation of our 10-year strategic plan, *Delivering for America*.

We pull back the curtain on our successful holiday delivery performance and look at efforts already underway to prepare for this coming holiday season. The peak season provides the public with one of the most visible displays of our capabilities and instills customer confidence throughout the year.

We also look at our growth-driving returns strategy — which is now fundamental to our customers' package delivery experience.

This edition also explores how In-Person Proofing — another dimension of the public service we provide — enables government agencies to use Post Offices™ to authenticate that a digital identity represents not only a real person but the same person using the identity. This is becoming increasingly important in the digital economy, and the Postal Service is helping improve secure access to government services and meeting the needs of America's communities.

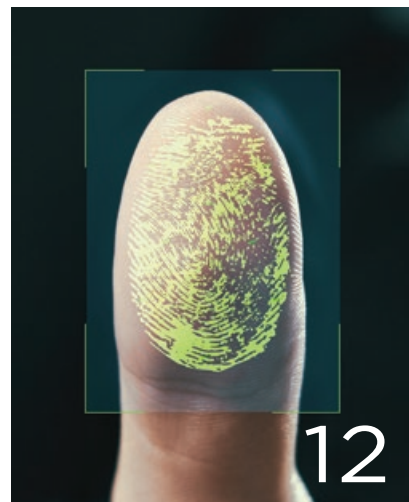
With these and future topics, *The Eagle* magazine seeks to capture our progress in becoming a high-performing organization and provide context for the strategies and initiatives that will guide us toward financial sustainability and service excellence. I hope you find this magazine useful and engaging.

As always, thank you for the great work you do every day.

Louis DeJoy

Postmaster General and Chief Executive Officer
United States Postal Service

CONTENTS



4 **Many Happy Returns**

Making returns easy — makes more return customers

The immense postal infrastructure and tracking network facilitate returns for retailers and consumers.

8 **Delivering America's COVID-19 Test Kits**

Tasked with a massive challenge, the Postal Service delivered USPS demonstrated smart regional delivery to reach the American public in a critical public health initiative.

12 **The Power of In-Person in a Digital World**

The Postal Service is looking to expand its successful In-Person Proofing service

This digital initiative will play a growing role in the Postal Service's future.

16 **Setting the Standard**

Looking back at a successful 2021 holiday season

Excellent service is the result of intricate planning.

20 **How the ZIP Code™ Got Its Groove**

Five small numbers, one huge innovation

The ZIP Code paved the way for large-scale automation.

IN THIS ISSUE

- 1 **From the Postmaster General**
Reaching and supporting every American community
- 3 **Spotlight**
Turning grief into a greater purpose
- 14 **Change Leaders**
Improving and expanding In-Person Proofing
- 18 **We Go Everywhere!**
A visit to ZIP Code 19106



Read our 10-year strategic plan, Delivering for America. Visit about.usps.com/what/strategic-plans/delivering-for-america, or scan the QR code.

Turning Grief *into* a Greater Purpose

When medically fragile children are hospitalized, the anxiety of parents and caregivers is often amplified by financial struggles and separation from other family members. Thankfully, parents across Ohio struggling with such anguish can turn to the Maryssa's Mission Foundation, founded by Cleveland Letter Carrier Mitchell Rivas and his wife, Mindy.

"When a family goes through such a traumatic experience, it's easy to derail," says Rivas. Through the foundation, families are given food, support and help with lodging when far from home. "We hope to take the pressure off these families and let them focus on what's most important," he explains.

This empathy and compassion come from personal tragedy. In 2015, Rivas lost his daughter Maryssa when she was just 2 years old. Maryssa was born with a heart defect and

had multiple surgeries in her short life. Rivas often spent weeks by her side at the Cincinnati Children's Hospital Medical Center, a four-hour drive from his home and three other children — including Maryssa's twin sister.

"Keeping my daughter's memory alive while being able to serve others in my community is really rewarding."

The power of community is the answer for Letter Carrier Mitchell Rivas.

After the devastating loss of their daughter, Mindy and Mitchell channeled their grief into a passion for helping others. "The foundation helps us stay focused," says Rivas. "It gave Maryssa's death a purpose."

The foundation has reinforced his belief in showing concern for others, he says, be it a family in need or a colleague at work: "When you ask employees how their families are, how their weekend was — they feel appreciated, and that you care. It's a game-changer."

Rivas capitalizes on his forward momentum every day. "Keeping my daughter's memory alive while being able to serve others is really rewarding," he says. "It's now in the DNA of our family to serve others."

MITCHELL RIVAS

USPS Letter Carrier and
Founder of Maryssa's
Mission Foundation
Berea, OH



You can visit the **Maryssa's Mission Foundation** at www.mmfkids.org.

MANY HAPPY RETURNS

THE IMPACT OF E-COMMERCE ON THE RETAIL SECTOR CANNOT BE OVERSTATED. BEYOND THE SIMPLE CONVENIENCE OF THE ONLINE PURCHASING EXPERIENCE, ONLINE SELLERS HAVE NORMALIZED 24-HOUR SHOPPING. CHEAP — OFTEN FREE — AND FAST DELIVERY HAS FOREVER CHANGED THE BUSINESS FUNDAMENTALS OF BRICK-AND-MORTAR OPERATIONS.

Of all e-commerce's outsized and disruptive influences, the most significant has been its ability to shift consumer buying habits away from the legacy values of price and quality to a model that embraces experience and refocuses the definition of excellence on factors that once seemed mundane. The clearest example

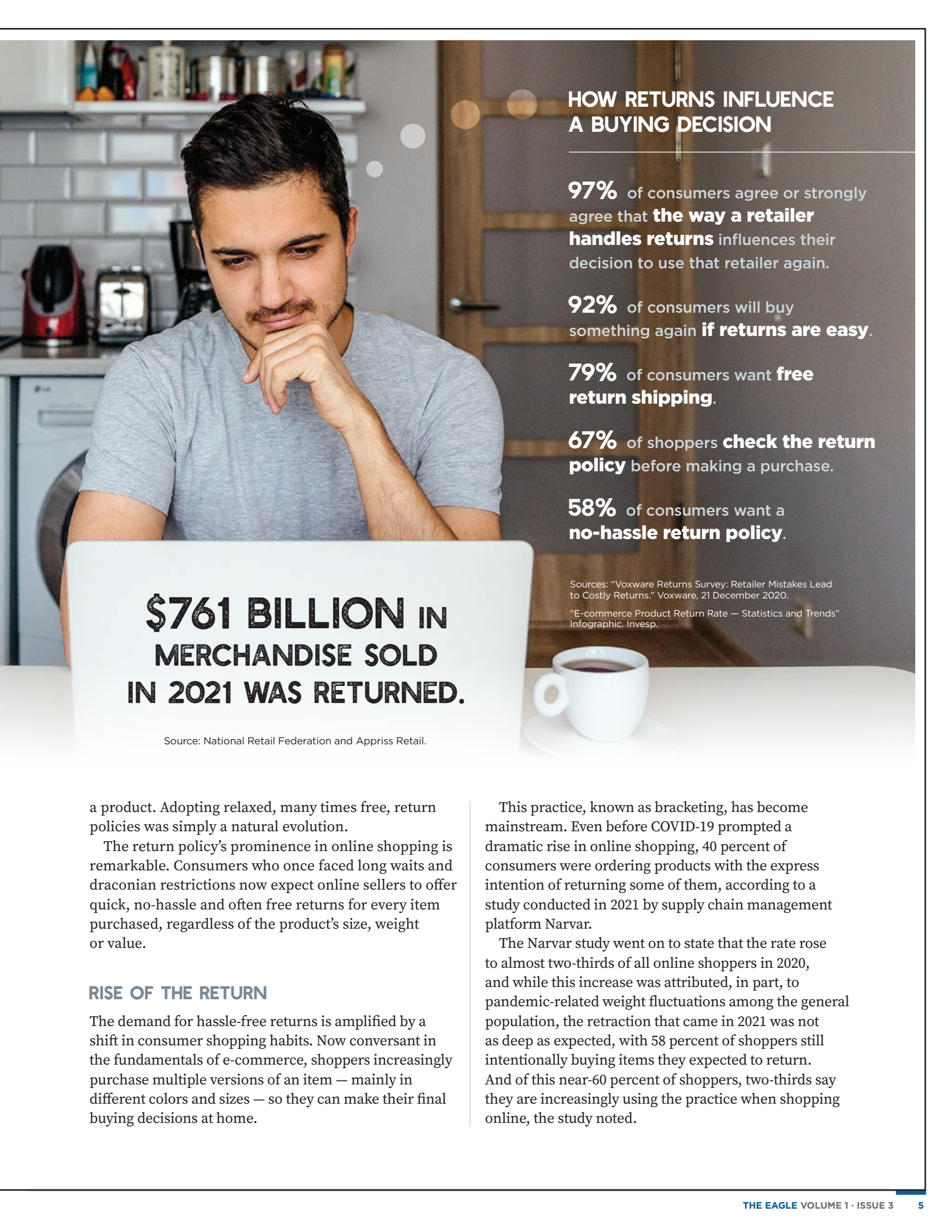


of this fundamental change has been the rise of the returns market, which is now a key sector for modern retailers.

The practice of retailers accepting returns became normalized with the rise of mail-order catalogs in the late 19th century, when money-back guarantees were used to incentivize buying decisions. The concept worked, but many retailers were keen to limit the financial exposure associated with returns by employing stringent policies that kept all but the most motivated shopper from being reimbursed.

That approach was upended with the dawn of e-commerce. Start-up e-tailers seeking to displace traditional retail brands quickly surmised that customer loyalty was intrinsically connected to the buying experience. In an online world, that translated to reducing or eliminating consumer perceptions that internet shopping carried more risk than buying from a brick-and-mortar store.

Like the catalog owners 150 years prior, these new e-tailers understood that the less risk a consumer experienced, the more likely they would be to purchase



HOW RETURNS INFLUENCE A BUYING DECISION

97% of consumers agree or strongly agree that **the way a retailer handles returns** influences their decision to use that retailer again.

92% of consumers will buy something again **if returns are easy**.

79% of consumers want **free return shipping**.

67% of shoppers **check the return policy** before making a purchase.

58% of consumers want a **no-hassle return policy**.

\$761 BILLION IN MERCHANDISE SOLD IN 2021 WAS RETURNED.

Source: National Retail Federation and Apriss Retail.

Sources: "Voxware Returns Survey: Retailer Mistakes Lead to Costly Returns." Voxware, 21 December 2020.

"E-commerce Product Return Rate — Statistics and Trends" Infographic. Invesp.



a product. Adopting relaxed, many times free, return policies was simply a natural evolution.

The return policy's prominence in online shopping is remarkable. Consumers who once faced long waits and draconian restrictions now expect online sellers to offer quick, no-hassle and often free returns for every item purchased, regardless of the product's size, weight or value.

RISE OF THE RETURN

The demand for hassle-free returns is amplified by a shift in consumer shopping habits. Now conversant in the fundamentals of e-commerce, shoppers increasingly purchase multiple versions of an item — mainly in different colors and sizes — so they can make their final buying decisions at home.

This practice, known as bracketing, has become mainstream. Even before COVID-19 prompted a dramatic rise in online shopping, 40 percent of consumers were ordering products with the express intention of returning some of them, according to a study conducted in 2021 by supply chain management platform Narvar.

The Narvar study went on to state that the rate rose to almost two-thirds of all online shoppers in 2020, and while this increase was attributed, in part, to pandemic-related weight fluctuations among the general population, the retraction that came in 2021 was not as deep as expected, with 58 percent of shoppers still intentionally buying items they expected to return. And of this near-60 percent of shoppers, two-thirds say they are increasingly using the practice when shopping online, the study noted.

THE IMPACT OF RETURNS ON THE U.S. RETAIL INDUSTRY

\$761 billion in merchandise sold in 2021 was returned.

This accounts for **16.6% of total U.S. retail sales.**

The 2021 rate of return is 57% higher than the 10.6% rate recorded on all U.S. retail sales in 2020.

The rate of return of online purchases in 2021 was 20.8%, about the same as 2020.

The rate of returns for U.S. online sales in **2020 was almost DOUBLE** that recorded in 2019.

Source: National Retail Federation and Apriss Retail.



Consumer behavior is not the only driving force behind this growth in returns. The rate of items returned due to retailer error is also growing, and buyers are finding that even replacement items are increasingly incorrect. The time it takes to deliver an item is also impacting the returns market, with buyers becoming more comfortable returning items if they were delivered later than promised at the time of purchase.

FINANCIAL SIGNIFICANCE

The impact of the returns market on modern retail is staggering, with last year's returns valued at \$761 billion, according to a January 2022 report issued jointly by the National Retail Federation (NRF) and Apriss Retail.

The rate of returns also increased substantially in 2021. Historically, return rates have hovered around 10 percent, but according to the NRF/Apriss report, this climbed last year to 16.6 percent, a near 60 percent increase year-on-year. Much of this was fueled by traditional sellers — which still dominate U.S. total retail sales — but it is crucial to note that for 2020 and 2021, online buyers returned almost a fifth of all their purchases.

That 20 percent return rate becomes even more important when viewed through the lens of Insider

Intelligence, a leading e-marketer research firm, which issued a forecast in 2021 that e-commerce is expected to account for nearly a quarter of all U.S. retail sales in 2025, up from 11 percent in 2019.

The facts are unassailable: The returns market is no longer a peripheral aspect of the retail experience. Returns must now be a critical part of every retail business strategy, and if handled poorly, returns can impact the long-term viability of every seller.

Large retailers appreciate the importance of returns and have invested heavily in making the process easy and convenient for their customers. The response from consumers has been resoundingly positive, and revenues at many big-box retailers and e-commerce giants soared during the pandemic.

However, customers now expect ubiquity for this level of service, forcing smaller businesses to adopt even more flexible return policies to generate sales — which fuels even greater volumes of returned products.

THE POSTAL SERVICE SOLUTION

USPS returns offerings provide a powerful benefit to business and residential customers in this new retail environment.

Businesses can offer their customers tens of thousands of drop-off points, either by visiting one of the more than 30,000 Post Offices around the country or, if the package is the appropriate size and weight, at one of the thousands of blue mailboxes along the nation's sidewalks. Approximately 88 percent of the nation's ZIP Codes also have free pickup available from home mailboxes or doorsteps.

With its unrivaled network of last-mile and first-mile presence — on most of the nation's streets six and seven days a week — the Postal Service is best positioned to give businesses of any size a competitive edge and offer consumers convenient options to return merchandise.

CONSUMER CONVENIENCE AND BUSINESS BENEFIT

Businesses and consumers alike benefit from the technological advances in reverse logistics. With timely data about when a return is picked up, retailers are able to resell a product better than ever before. As the volume of returns grows, Postal Service solutions that meet businesses' priorities — whether speed or price — will help turn a potentially significant cost into new revenue streams, a change that will have broad implications for sellers and their bottom lines.

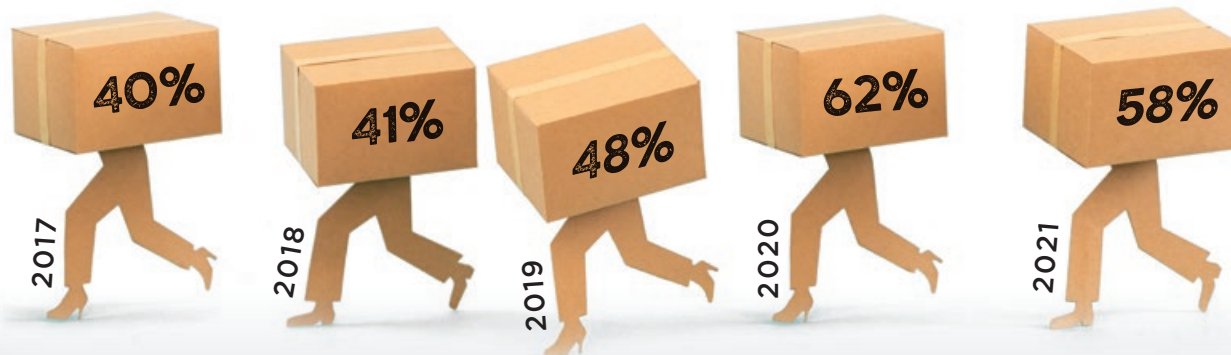
The Postal Service continues to enhance convenience. Consumers without printers at home will be able to print labels at local Post Offices and process return packages using a mobile device and QR code provided by the seller, powered by the Postal Service's Label Broker® program.

With its returns offerings, the Postal Service is meeting the increasing need felt by all sellers — particularly small- and medium-sized companies — to provide residential customers with the strength, value and reliability of a network that no other delivery provider can replicate.

THE POSTAL SERVICE'S RETURNS OFFERINGS PROVIDE A POWERFUL BENEFIT TO BUSINESS AND RESIDENTIAL CUSTOMERS.



THE MAJORITY OF ONLINE SHOPPERS BUY PRODUCTS THEY EXPECT TO RETURN



Sources: Narvar Consumer Study 2021, The State of Returns: Finding What Fits.



DELIVERING AMERICA'S COVID-19 TEST KITS

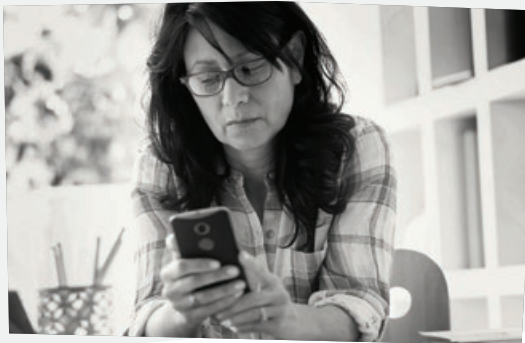


Each wave of the COVID-19 pandemic has created unique health concerns and disrupted the daily lives of the American public. The recent spread of the omicron variant demanded an extraordinary response from the federal government, which the Biden administration addressed by giving the country the ability to order free rapid at-home COVID-19 test kits.

This public health strategy came at a time when test kits were becoming increasingly difficult to find in stores. By distributing an initial 500 million kits to households across the nation, the Biden administration sought to close an alarming supply gap. Every American household was eligible to order four free tests, contained in kits of two tests each.

The plan was contingent on two very important elements coming together quickly. First, people needed an easy way to order the test kits. Second, someone would literally have to deliver on the promise of distributing the kits.

Uniquely capable of taking on these critically important jobs, the Postal Service not only maintains the only national database of valid addresses to match orders with delivery routes; it also has the infrastructure and personnel to get the packages where they belong.



People needed an easy, reliable way to order the free test kits online.

The first order of business was to create an easy-to-use website with enough information technology (IT) infrastructure behind it to handle sudden, massive spikes in traffic.

The Postal Service's IT teams — led by Chief Information Officer Pritha Mehra and Chief Technology Officer Scott Bombaugh — worked closely with the United States Digital Service federal agency to quickly stand up the *covidtests.gov* landing site as well as the *usps.com* test kit order site. A key to their success was the decision to run the sites using a combination of the Postal Service's own data centers and outside cloud providers, which can scale storage and server capacity up or down as needed. This was especially important for controlling data fidelity, given that the White House had planned to limit distribution to one kit per address at the outset of the program.

The Postal Service made tracking information for the shipments available on *usps.com*. Recipients received an email that included an estimated delivery date once their order had been shipped. Residential consumers could

OUR DELIVERING FOR AMERICA INVESTMENTS TO EXPAND CAPACITY, STAFFING AND AUTOMATION, AND STREAMLINE TRANSPORTATION, ENABLED THE POSTAL SERVICE TO EFFECTIVELY MEET THE CHALLENGE OF DELIVERING THE NATION'S TEST KITS.



digitally preview their letter-sized mail and manage their package delivery through the Postal Service's free and optional Informed Delivery® notification feature.

To protect both its customers and employees, the Postal Service limited personal information collected on the website to those minimal elements required to complete a delivery and provide tracking updates. The Postal Service also put in place technologies to protect and defend its applications, data and enterprise from cyberattacks. All Postal Service applications, including those that stored customer information, were assessed and security tested by Chief Information Security Officer Heather Dyer and her team. The Postal Service also dedicated a team to monitor external and internal environments in search of cyberthreats.

Additionally, to ensure that the customer experience extended beyond the ordering process, the Postal Service set up an email address and help desk phone number to deal with any challenges

40 MILLION TEST KITS

WERE ORDERED BY THE PUBLIC IN THE FIRST SIX HOURS OF THE COVIDTESTS.GOV LAUNCH.

customers might have in ordering and receiving their test kits — which proved to be a very small percentage of orders.

An unprecedented distribution challenge

The second major element of the plan called for the Postal Service to not only take sole responsibility for delivering kits — but also to shoulder the heavy lift of fulfilling the orders through internal kitting, labeling and packaging.

At the outset of the announcement, very few test kits were actually in the United States. A significant interagency collaboration — involving the White House, the Department of Health and Human Services and the Department of Defense — was working behind the scenes to monitor and track large volumes of kits entering the country. This flow of kits was directed to four USPS Surface

THE FLOW OF TEST KITS WAS DIRECTED TO FOUR SURFACE TRANSPORTATION CENTERS AND THEN TRANSPORTED TO 48 ANNEXES AND PROCESSING FACILITIES TO BE PACKAGED, LABELED AND SHIPPED OUT FOR DELIVERY.



Transportation Centers and then transported to 48 annexes and processing facilities so that the 90 million kits from initial orders could be packaged, labeled and entered into the mailstream.

Mundane but critical issues such as sourcing envelopes, labels, bubble cushion packaging material and rubber bands; correlating address lists and labeling; and building staffing plans at every stage — preoccupied operational planning.

Orders were sent using either First-Class Package Service® or Priority Mail® shipments. Rather than use specially marked boxes to deliver the tests, the Postal Service shipped the packages discreetly, using a typical First-Class Mail® or Priority Mail 4-by-6-inch label.

Quick negotiations with the postal unions allowed USPS to retain many of the seasonal staff who were reassigned from their holiday roles. New annex facilities acquired in 2021 were rapidly reconfigured to ensure workspace and storage capacity could handle the immediate influx of millions of test kits daily. As a result of all these efforts, at peak, the Postal Service was able to prepare and enter 2.5 million kits per day.

Importantly, the Postal Service distribution model proved extremely effective in validating the impact of destination entry being applied as part of USPS Connect™. The management of mailing lists and labels and positioning of the annexes and processing facilities enabled 60 percent of all kits to be delivered to their residential destination within a day — and more than 90 percent within two days.

The successful Postal Service role in fulfilling and delivering what may be as many as 1 billion COVID-19 test kits this year does not mean that the organization wants to get into the fulfillment business. Instead, the lasting impact of the project lies in demonstrating the power of quickly and reliably reaching the American public through smart regional entry.

The positioning of volume across 48 sites distributed throughout the United States provides a blueprint for the postal customer base seeking to reach the end-consumer within a day. The COVID-19 test kits were positioned for quick

fulfillment and entry. They achieved excellent on-time delivery performance — which shows that regional entry leveraging the postal network and footprint can have a large impact and bring the sender very close to the residential recipient.

The project also serves as strong validation for the network and capacity changes implemented in 2021 and those planned for 2022 and beyond as part of the Delivering for America plan.

The investments made — to expand capacity, staffing and automation; create greater capabilities for destination entry; and streamline



THE MANAGEMENT OF MAILING LISTS AND LABELS HELPED ENABLE 60% OF ALL KITS TO BE DELIVERED WITHIN A DAY, AND MORE THAN 90% WITHIN TWO DAYS.

transportation — all enabled the Postal Service to effectively meet the challenge of delivering the nation's test kits. Indeed, these network and transportation enhancements drove the strong holiday on-time delivery performance that gave the Biden administration the confidence to entrust the Postal Service with this crucial assignment to support the public health of the nation.

And with the White House promising the public delivery of another 500 million test kits later this year, the Postal Service can take pride that it has already proven that its 650,000 employees are more than up for the challenge.





IPP digital fingerprinting service as part of the federal law enforcement agency's own Identity History Summary Check (IdHSC) program for prospective hires. The partnership cut the FBI's

turnaround time for fingerprint processing from up to 14 weeks to less than a day.

Currently, 181 Post Offices offer digital fingerprinting, and more are scheduled to add the service this fiscal year. Those sites use General Services Administration (GSA) equipment, the same as used by the FBI for hiring personnel. Expanding this service at Post Offices is a great benefit, given that the COVID-19 pandemic has closed many GSA sites where digital fingerprinting had been offered.

Drawing on the success of its work with the FBI, and with the State Department for passport applications, the Postal Service now hopes to extend digital fingerprinting and IPP to other federal agencies as well.

Three levels of ID proofing

The Postal Service can provide three different levels of identity proofing. The first involves a person presenting a driver's license or some other form of government-issued identification to a Post Office representative and turning in a form, which is then scanned along with the ID.

The second level is what the FBI uses for IdHSC, while the third level is a little more involved and requires making an appointment through the GSA website for enrollment at a Post Office. Once that process is successfully completed, the person who initiated the process can then make an appointment to pick up the verified ID card.

Above: In-Person Proofing service at Post Offices has expanded to help other federal agencies process applications for passports, visas, child adoptions and jobs working with children.

Spreading the wealth

IPP is one of several digital initiatives that will play a growing role in the Postal Service's future. For example, IPP can support Informed Delivery for postal customers unable to perform online verification. Customers can now visit a Post Office, scan an emailed barcode and show a retail associate proof of identity to enroll in the free service, which provides an emailed preview of the mail the customer can expect to receive that day.

Currently, 181 Post Offices offer this digital fingerprinting service, and more will add the service this fiscal year.

Whether for Informed Delivery, passport processing or job applications, identity verification is essential to protecting the American public's personal information. As the use of digital services has grown exponentially in recent years, it is becoming harder to verify the identities of the people using those services.

With the idea that it is a lot more difficult to fake a person's identity in person, the Postal Service hopes to expand its IPP service to additional federal agencies, with an eye to eventually making it available to state and local entities as well.



UNITED STATES
POSTAL SERVICE

HEADQUARTERS

GARY REBLIN

Vice President, Innovative
Business Technology

ANN MARIE TALLARINO

Digital Marketing and
Solutions Specialist

Improving and expanding In-Person Proofing

Identify theft and fraud are a growing problem as more and more services move online. The Postal Service's In-Person Proofing (IPP) capabilities have successfully kept the human element in the mix, cutting down the time needed to validate identity information for passports, job applications and other government services.

Why are in-person proofing capabilities so important in today's digital world?

GARY REBLIN: There's no other place that's as trusted or that has our footprint. We are unique in this space to offer this service. We are also building upon our heritage of identity proofing capabilities that we use to verify passport applicants. We did 7 million passports last year. We would like to replicate our relationship with the State Department with every government agency.

ANN MARIE TALLARINO: Having an in-person event helps eliminate fraud. A lot of fraud online can bypass remote proofing capabilities. Using our vast retail network of Post Offices, we give people a place to go to prove their identities.

How have the Postal Service's IPP and digital fingerprinting capabilities helped streamline federal government hiring procedures and improve identify verification?

GARY REBLIN: We're able to do In-Person Proofing for them. You don't want that burden to fall on, for example, local police departments when the Postal Service is already set up to provide this service. The GSA and FBI are already working with us.

ANN MARIE TALLARINO: We are also doing more than just taking on an important identity process for other government agencies. A lot of my work is about ensuring that we provide a great experience for the public. We're representing that government customer with every transaction, so when the FBI sends us people to validate, we want that time in the Post Office to be efficient and simple and quick. That's something we are doing well and that's a big benefit to the public and our government customer.

What does the future hold for the Postal Service's digital authentication services?

GARY REBLIN: We want to let as many people as possible know that we're open for business, are already working with many agencies and investing to take the next step. We're looking to expand our offerings, to state and local governments, for example. As we grow, this also will give more people a new and important reason to visit their local Post Office.

ANN MARIE TALLARINO: We can also see IPP becoming an even more valuable service as a way for victims of identity theft to be able to revalidate their identities when necessary. It could help these people reset their lives. The public service aspect of this is a great extension of the Postal Service's mission.



SETTING THE STANDARD

With the hard work and dedication of every employee and the 10-year Delivering for America plan as a playbook, the 2021 holiday season was one to celebrate.

The winter holiday season is a critical time of year for USPS. A clear demonstration of the ability to handle and deliver peak volume at high performance levels instills confidence in the organization's ability and dependability — which, in turn, generates more business from existing users and attracts new customers throughout the year.

The 2021 season was a tremendous success for the Postal Service. With a record volume of 13.2 billion letters, cards, flats and packages handled between Thanksgiving and New Year's Eve, the 650,000 employees of the Postal Service achieved an average transit time of just 2.7 days.

This exceptional achievement came despite the continued challenges of the pandemic and delays to ground and air transportation that impacted the Postal

Service and its competitors — all at the height of the season. It is a testament to this performance that the Biden administration entrusted USPS to be its exclusive partner in processing and distributing 500 million COVID-19 at-home rapid test kits.

SUCCESS BEGINS WITH PREPARATION

Excellent service is the result of intricate planning. Fortunately for the Postal Service, it had already started implementing the 10-year Delivering for America strategic plan — which included deploying new automated package sorting machines, acquiring additional space in annex facilities for package processing and hiring more than 40,000 seasonal employees as part of the plan's \$40 billion investment for the future.

“I am incredibly proud of the performance of the 650,000 women and men of the Postal Service. The 2021 holiday season illustrated our capability to deliver the highest levels of volume on time and positions us well to be the national carrier with the best holiday performance in the coming year and into the future.”

— Postmaster General Louis DeJoy



Preparation for the 2021 peak also started immediately after the close of the 2020 holidays, allowing the installation of 112 sorting machines and 50 package systems capable of sorting large parcels to be completed between April and November.

These investments, combined with an organization-wide focus on improving operations, added 13 million packages to the Postal Service’s daily processing capacity between the end of the 2020 peak and before the 2021 holiday mailing and package shipping started.

Facility capacity was bolstered, too, as was the Postal Service’s ground transportation fleet, which added 3,300 leased trailers for the 2021 peak season. The Postal Service also expanded its surface transfer center network by adding 1.6 million additional square feet and over 300 dock doors to increase the use of long-haul transportation and mitigate driver shortage issues.

Combined with the automated systems, this investment in capacity and transportation increased the Postal Service’s daily capacity in the 2021 peak season to 45 million packages, 20 million more per day than its 2020 peak capacity.

FORWARD MOMENTUM

The 2021 holiday season provided valuable insights into the organization’s transformation. The use of air

transportation for long-distance mail and package flow is costly, complex and increasingly unreliable, and under the Delivering for America plan, much of this volume is being moved to the Postal Service’s ground transportation network, which is better managed and more reliable. This strategic shift was critical in the Postal Service’s ability to recover operations quicker than some competitors during the 2021 peak season, even though the same delays impacted every carrier.



2.7 DAYS

ON AVERAGE TO DELIVER THE NATION’S MAIL AND PACKAGES DURING THE 2021 HOLIDAY SEASON

Strategic changes like these ensure that the Postal Service is transforming to meet or exceed 95 percent on-time service performance for all mail and shipping products all year-round. And as the Delivering for America plan is further implemented, the Postal Service’s ability to absorb even larger peak volumes will increase. This will ensure stronger performance throughout the holidays and set a higher standard throughout the delivery marketplace.

We Go Everywhere!

ZIP Code™
19106



Many of America's ZIP Codes can claim a landmark or historical moment, but ZIP Code 19106 — comprising less than a square mile of downtown Philadelphia — is uniquely steeped in America's history, including the creation of the United States Postal Service.



OLD CITY, PHILADELPHIA

Known locally as Old City, what is now ZIP Code 19106 was a choice spot on the Delaware River for Philadelphia's earliest settlers, who quickly turned the area's river banks into a vibrant 18th-century trading center. Commerce shaped Old City's growth over the centuries. Its many warehouses, bustling with trade in decades past, now play host to an energetic art scene.

History abounds in every part of 19106, where mail is still delivered to the 32 houses on America's oldest continuously inhabited residential street, **Elfreth's Alley**. Old City's cobbled streets resonate with echoes of our founders' footsteps, answering the call of the **Liberty Bell**.



Above: Historic and charming Elfreth's Alley in Philadelphia has homes that date back to 1703.



Above: The Betsy Ross house and the B. Free Franklin Post Office and Museum.

In just several blocks, 19106 introduces visitors to iconic sites from our nation's birth, from **Independence Hall** — where both the 1776 Declaration of Independence and 1789 U.S. Constitution were signed — to **Alexander Hamilton's First Bank of the United States** and the **home of Elizabeth "Betsy" Ross**, who, as legend has it, sewed the first flag of America.

Old City also holds other threads in the tapestry of American history. Two notable museums are located in 19106: the **African American Museum in Philadelphia** — the first institution built by a major U.S. city to house and interpret the life and work of Black Americans — and the **National Museum of American Jewish History**, which preserves, explores and celebrates the history of Jews in America.

This area was home to Benjamin Franklin for a significant part of his life, and he made his name and fortune on one of its main thoroughfares, Market Street, while printing *The Pennsylvania Gazette* and the hugely popular *Poor Richard's Almanack*.

While living in Philadelphia, Franklin helped shape the foundation of today's Postal Service, initially as postmaster general of Philadelphia, then as postmaster general for the Colonies under British rule and

finally as the first postmaster general of a new nation.

At the time, postmasters operated from their homes and businesses. While none of the original Franklin properties remain, preservationists have re-created Franklin's home, with a postal museum and a fully functioning Post Office attached.

In recognition of Franklin's immense contribution to our country's early success as well as its own creation, the Postal Service has named this location the **B. Free Franklin Post Office** — honoring the famous postmark Franklin used to protest British rule. Even today, Franklin's postmark is used to cancel stamps on any mail processed at the location.



Above: This Benjamin Franklin stamp was one of four designs issued on April 7, 2006, in Philadelphia to commemorate the 300th anniversary of the birth of Benjamin Franklin. (Photo courtesy of the Smithsonian National Postal Museum)

Few ZIP Codes rival the impact that 19106 has had on this country's history.

HOW THE ZIP CODE™ GOT ITS GROOVE



Few innovations have had a greater impact on the Postal Service and its customers than the ZIP Code. This seemingly innocuous string of numbers added to addresses starting in the 1960s significantly speeded up mail delivery across the U.S. and paved the way for large-scale automation in the decades that followed.



The idea for adding zone numbers to mail picked up steam in 1943 in response to staffing needs during World War II. At the time, many postal workers were serving in the military overseas and had taken much of the Postal Service's institutional knowledge of local routes, towns and street names with them. To help its under-trained and inexperienced new workforce keep up with the demands of timely mail delivery, the Postal Service instituted postal zone numbers to help with mail sorting and distribution.

Mail volume increased rapidly following the war as the U.S. economy boomed, families sought to stay connected and a growing number of businesses began to see the value in direct mail marketing. The Postal Service

Above: Postmaster John R. Strachan and a group of city carriers pose on the steps of the New York City Post Office in the late 1960s in front of a banner promoting the use of ZIP Codes. (Photo courtesy of USPS)

needed some way to keep up with skyrocketing demand.

A series of postmaster generals and officials from the 1940s through the '60s saw the value in dividing the country into geographical areas. In 1944, a postal inspector named Robert Moon proposed adding three-digit numbers to addresses in large urban areas. Moon's proposal, combined with a 1953 report about Postal Service reorganization by Henry Bentley Hahn, also a postal inspector, became the basis for the five-digit "Zone Improvement Plan" implemented on July 1, 1963.

The ZIP Code was a revolutionary idea for organizing mail delivery, with the digits indicating an address's region, city and local Post Office. Before the ZIP Code could make mail delivery faster and more accurate, however, the Postal Service needed lots of people to buy into the idea. No easy task, considering it was more work for customers to remember a new string of numbers, and for mail clerks to look up those codes when their customers did not know them.

The solution came in the form of a massive ZIP Code awareness campaign, headlined by the indefatigable Mr. ZIP. A cartoon illustration of a letter carrier portrayed with his mailbag flying out behind him as he rushed to deliver the mail, Mr. ZIP appeared on posters and cardboard cutouts in Post Office lobbies nationwide.

Over the next couple of decades, Mr. ZIP and the Postal Service continued their campaign to persuade Americans that ZIP Codes made the mail faster and more efficient. Ultimately, ZIP Codes delivered on that promise, enabling the Postal Service to implement large-scale automation, all while giving every community in America a new identity.



To learn more check out "An Ode to the ZIP Code" on the *Mailin' It!* podcast, available at about.usps.com/newsroom, or on Apple Podcasts.



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