

DELIVERING FOR AMERICA FACT SHEET – BUSINESS/INDUSTRY

The Postal Service is a fundamental part of our nation. For more than 240 years, we have bound the nation together, and today we deliver mail and packages to American homes and businesses six and seven days a week. We have one of the best last mile delivery networks in the world which enables commerce, provides a powerful channel for marketing and communications and sustains the e-commerce economy. Our reach is unparalleled—we deliver nearly half of global mail volume; we deliver goods and services to more than 160 million addresses across the country; and ninety-nine percent of the population has a Post Office within ten miles of where they live.

And yet, our organization is in crisis. For many years, the Postal Service has recorded billions in annual financial losses and has persistently failed to meet service standards. Our business and operating models are unsustainable and out of step with the changing needs of the nation and our customers. Years of chronic underinvestment in our infrastructure and network have taken its toll on our performance and workforce. While these problems are extremely serious, we are optimistic about our future.

The Postal Service has launched our vision and 10-year Plan – Delivering for America – which establishes clear strategies to quickly achieve financial sustainability and service excellence. Our Plan will generate enough revenue to cover our operating costs and enable us to invest in our people, infrastructure and technology, and simultaneously provide our customers and the American people with the excellent service they expect and deserve.

Our Plan delivers for the American people:

- A modernized Postal Service capable of providing world-class service reliability at affordable prices
- Maintain universal six-day mail delivery and expanded seven-day package delivery
- Workforce stability and investment strategies that empower, equip and engage each employee and put them in the best possible position to succeed
- Innovation that grows revenue and meets changing marketplace needs
- Financial sustainability to fulfill our universal service mission

To learn more and read the Plan, visit usps.com/deliveringforamerica.

What This Means for You – Business and Industry Customers

We recognize our business customers rely on us for predictable, reliable, value-driven service for both mail and packages. This is why the Postal Service is committed to dramatically improving service performance and customer experience at every touch point with our brand and delivering ever greater value to our customers through continual innovation and evolution.

Our Plan will fully utilize our unmatched logistics network and infrastructure—which delivers goods and services to more than 160 million addresses across the country—to connect businesses, large and small, to urban and rural communities across the nation.

Our business customers can expect:

- Predictable, reliable, value-driven service, six and seven days a week with 95 percent of all mail and packages delivered on-time, at all times of the year.
- A faster pace of innovation to drive growth and opportunity across the mailing and shipping markets.
- A new suite of e-commerce solutions, called USPS Connect, that broaden access to the postal network, with more options to provide same-day and next-day service to consumers and help businesses effectively compete in the growing e-commerce market.
- Comprehensive small business services to bridge local retailers to local buyers, through offerings like pop-up kiosks that serve as a second storefront to elevate their brand.
- Improved returns experience through convenient features like printing, packing, pick up and package-less returns.
- New tools to leverage mail data and enable better integration with digital media channels.
- New programs, resources and offerings to enable greater use of the mail by businesses of all sizes.
- Create greater total value for mailers and shippers. These initiatives include mail promotions, mailer education and integration of data to better target and retarget consumers and trigger other aspects of marketing campaigns.

USPS Connect: A bold approach to growth and innovation.

This diverse suite of scalable and customizable solutions will offer business customers:

- Innovative value-added services.
- Expert resources.
- Shared postal retail footprint for cobranding opportunities.

We will expand our core package products, namely Priority Mail, Priority Mail Express, First-Class Package Service and Parcel Select, to offer a wide diversity of business solutions for micro to large businesses with same-day, next-day and 2-to-3 day options.

USPS Connect highlights include:

- **USPS Connect Local:** Provide neighborhood businesses access to local drop points and local services for same-day or next-day delivery.
- **USPS Connect Regional:** Provide high volume shippers access to our unparalleled network of distribution centers for 1-to-2-day delivery.
- **USPS Connect National:** Provide national shippers access to our extensive network of distribution centers to offer a diverse suite of same-day, next-day, and 2-to-5-day delivery services.
- **USPS Connect Returns:** Provide an effortless returns experience with convenient label printing, pickup and packaging options.
- **USPS E-Commerce Marketplace:** Provide a branded online storefront for businesses to gain access to the billions of visitors on usps.com with streamlined product management, payment and checkout capabilities.

Frequently Asked Questions

How will the Plan impact First-Class Mail Service Standards? Will it slow the mail?

The Postal Service has not met our First-Class Mail service targets in eight years, which is due to both unattainable service standards and a lack of operational precision. By adjusting First-Class Mail service standards by one or two days for certain mail, we can

move First-Class Mail from air transportation, which is costly and unreliable, to ground transportation. This will improve the reliability and predictability of service for customers, while reducing expenses. This will also require adjustments to the service standards for end-to-end Periodicals, which travel with First-Class Mail.

Most First-Class Mail (61 percent) and Periodicals (93 percent) will be unaffected. First-Class Mail traveling within a local area will continue to be delivered in two days, and most First-Class Mail (70 percent) will continue to be delivered within three days.

Before the First-Class Mail service change is implemented, the Postal Service will request an advisory opinion from the PRC and solicit comments through a rulemaking proceeding in the Federal Register. Further details about the implementation date will be provided through those processes.

Will you raise prices?

New prices for 2021 took effect January 24. No decisions have been made regarding any additional price changes for 2021. Our Plan will utilize judicious and prudent strategies to optimize prices for our market-dominant products within applicable regulatory constraints, and by more effectively aligning prices to the marketplace for our competitive products. Any price change would need to be approved by the Postal Service Governors and reviewed by the Postal Regulatory Commission.

How does this Plan impact Post Office retail hours? Will my local Post Office be closed?

While we remain committed to operating Post Offices in America's communities across the country, we will align our retail footprint, hours, and services to meet current and evolving customer demands. In metropolitan areas that have multiple Postal Service retail facilities, we will evaluate our network of stations and branches and propose to consolidate certain low-traffic facilities where alternate facilities are available to serve customers.

Overall, we project that only a small percentage of our Post Offices will have hours modified, and only a small percentage of city stations and branches will qualify for consolidation.

The Postal Service will request advisory opinions from the Postal Regulatory Commission concerning our retail network realignments. We will share additional details as the Postal Service moves forward with these initiatives.

How will you grow the Direct Mail market as digitization decreases mail volume?

The Postal Service's touchpoint with every household in America is without parallel. We will continue to work with our industry partners on ways to position and promote Direct Mail as a vital component of a company's marketing efforts and reach new markets. Our Plan, for example, will improve the link between direct mail and digital technology, such as Informed Delivery, making the product more valuable for customers. We will continue to drive greater value for the sender by developing new tools that leverage mail data and enable better integration with digital media channels.

How will you support 1- and 2-Day Delivery on behalf of your business customers?

We have the best last mile delivery network in the world which provides universal six-day mail and seven-day package delivery to American homes and businesses – we deliver to more than 160 million addresses across the country. We are offering businesses of all sizes access to this unparalleled delivery network. This will also enable businesses to meet customer demands for next-day delivery. As we roll out these offerings, we will engage with potential customers and partners through our sales and business network.

Are you eliminating late and extra trips?

Currently, there is an unhealthy dependency on extra and late trips. A disciplined, well-running network should not have to rely on extra and late trips to provide timely service. The Plan seeks to mitigate our dependency on, rather than eliminate, extra and late trips.

Will there be a headcount reduction of USPS employees?

Last fall, we initiated a series of phased organizational changes to improve our ability to implement strategies and drive success by creating three core business functions and centralizing the administrative support functions at the area and district level into Headquarters. We further aligned the core business functions into four areas within Retail and Delivery and two regions within Mail Processing and Logistics.

These organizational changes will help us drive operational precision with improved agility to respond to our customers' needs. There will be employee impacts as a result of District closings and administrative reductions. The specific employee impacts have not been determined at this time. Over the next two months, we will be engaged in specific activities to complete the staffing changes for the final phase of our restructure. The announcement of the final structure and staffing is planned for May 2021.