![United States Postal Service logo]

Key Facts on Network Rationalization

Like any successful organization, the Postal Service understands it must make operational changes to adapt to meet the changing needs of the American public. The fact is that U.S. Mail is changing. There are now fewer letters and considerably more packages, and the network must reflect that.

With major volume decreases in First-Class Mail, the Postal Service has significant excess capacity in its network and cannot sit idly by and do nothing. The Postal Service firmly believes that the operational changes are necessary. In the process, the Postal Service has sought to minimize impact to customers and employees.

These changes enhance the viability of the organization and its ability to continue providing service in the future.

Key Facts

- The first phase of network rationalization was highly successful. There were no major service disruptions, and the effort generated annual cost savings of approximately $0.9 billion. The Postal Service expects to capture $2.1 billion in total annualized savings from Phase 1 and Phase 2 when full-up.

- Single-piece First-Class Mail volume, the product most affected by Phase II, has declined 53 percent in the past 10 years. This mail consists largely of personal correspondence, bill payments, greeting cards, etc. When sent locally, it is currently delivered within one day. Beginning in January 2015, this mail will be delivered in two days.

- For 49-cents, single-piece First-Class Mail will be delivered anywhere in the contiguous United States within three days.

- Package Services and Priority Mail will not be affected and will be delivered based on current service standards. This includes most medications and small business shipping.

- Network rationalization has resulted in no bargaining unit layoffs. There will be a methodical transition for employees in the affected mail processing facilities.

- Changing service standards and right-sizing the Postal Service's processing and retail infrastructure are necessary aspects of a larger comprehensive plan designed to reduce overall operating costs by $20 billion by 2017, return the Postal Service to financial stability and help ensure the future of the nation's mail system.

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