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Postal Service Progresses With Operational Efficiencies Proposal to Change Service Standards Filed with PRC

WASHINGTON — The U.S. Postal Service today announced it will move forward with its proposal to change service standards. This action is being taken in response to on-going financial challenges caused by the dramatic and continual decline in First-Class Mail volume and the resulting revenue loss.

“The U.S. Postal Service must reduce its operating costs by \$20 billion by 2015 in order to return to profitability,” said David Williams, vice president, Network Operations. “The proposed changes to service standards will allow for significant consolidation of the postal network in terms of facilities, processing equipment, vehicles and employee workforce and will generate projected net annual savings of approximately \$2.1 billion.” This is part of the overall savings expected from the network optimization initiative, which is projected to save up to \$3 billion by 2015.

The size of the existing Postal Service network is dictated by the current overnight transit time in existing service standards. The Postal Service is proposing, through the rulemaking process, to move First-Class Mail to a 2–3 day standard for contiguous U.S. destinations; however, there would be an opportunity for mailers who properly prepare and enter mail at the destinating processing facility prior to the day's critical entry time to have their mail delivered the following delivery day.

On Sep. 15, the Postal Service announced it would begin studying 252 out of 487 mail processing facilities for possible closure. At that time, the Postal Service also announced it would be considering changes to service standards in an Advance Notice of Proposed Rulemaking published in the *Federal Register*. The Advance Notice filing was a formal effort to gather input from the public early in the process to ensure their views can be factored into the service change proposal.

The Postal Service will send to the Postal Regulatory Commission (PRC) a request for an advisory opinion regarding service standard changes associated with a significant rationalization of its mail processing network. Shortly thereafter, the Postal Service will publish a notice in the *Federal Register* soliciting public comment on the specific proposed changes.

The Postal Service receives no tax dollars for operating expenses and relies on the sale of postage, products and services to fund its operations.

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For reporters interested in speaking with a regional Postal Service public relations professional on this issue, please go to <http://about.usps.com/news/media-contacts/usps-local-media-contacts.pdf>.

A self-supporting government enterprise, the U.S. Postal Service is the only delivery service that reaches every address in the nation, 151 million residences, businesses and Post Office Boxes. The Postal Service receives no tax dollars for operating expenses, and relies on the sale of postage, products and services to fund its operations. With nearly 32,000 Postal Service-managed retail locations and the most frequently visited website in the federal government, *usps.com*, the Postal Service has annual revenue of more than \$65 billion and delivers nearly 40 percent of the world's mail. If it were a private sector company, the U.S. Postal Service would rank 35th in the 2011 Fortune 500. *Black Enterprise* and *Hispanic Business* magazines ranked the Postal Service as a leader in workforce diversity. The Postal Service has been named the Most Trusted Government Agency six consecutive years and the sixth Most Trusted Business in the nation by the Ponemon Institute.