

**POSTAL NEWS** 

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## Postal Service Announces New Delivery Schedule

Six Days of Package Delivery, Five Days of Mail Delivery Begins August 2013

WASHINGTON — The United States Postal Service announced plans today to transition to a new delivery schedule during the week of Aug. 5, 2013 that includes package delivery Monday through Saturday, and mail delivery Monday through Friday. The Postal Service expects to generate cost savings of approximately \$2 billion annually, once the plan is fully implemented.

"The Postal Service is advancing an important new approach to delivery that reflects the strong growth of our package business and responds to the financial realities resulting from America's changing mailing habits," said Patrick R. Donahoe, Postmaster General and CEO. "We developed this approach by working with our customers to understand their delivery needs and by identifying creative ways to generate significant cost savings."

Over the past several years, the Postal Service has advocated shifting to a five-day delivery schedule for mail and packages. However, recent strong growth in package delivery (14 percent volume increase since 2010) and projections of continued strong package growth throughout the coming decade led to the revised approach to maintain package delivery six days per week.

"Our customers see strong value in the national delivery platform we provide and maintaining a six-day delivery schedule for packages is an important part of that platform," said Donahoe. "As consumers increasingly use and rely on delivery services — especially due to the rise of e-commerce — we can play an increasingly vital role as a delivery provider of choice, and as a driver of growth opportunities for America's businesses."

Once implemented during August of 2013, mail delivery to street addresses will occur Monday through Friday. Packages will continue to be delivered six days per week. Mail addressed to PO Boxes will continue to be delivered on Saturdays. Post Offices currently open on Saturdays will remain open on Saturdays.

Market research conducted by the Postal Service and independent research by major news organizations indicate that nearly seven out of ten Americans (70 percent) supported the switch to five-day delivery as a way for the Postal Service to reduce costs in its effort to return the organization to financial stability. Support for this approach will likely be even higher since the Postal Service plans to maintain six-day package delivery.

The Postal Service is making the announcement today, more than six months in advance of implementing five-day mail delivery schedule, to give residential and business customers time to plan and adjust. The Postal Service plans to publish specific guidance in the near future for residential and business customers about its new delivery schedule.

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<sup>&</sup>lt;sup>1</sup> Sources: Gallup Poll, March 26, 2010 • New York Times/CBS News, June 27, 2012 • USA Today, March 17, 2010 • Washington Post, March 30, 2010

Given the ongoing financial challenges, the Postal Service Board of Governors last month directed postal management to accelerate the restructuring of Postal Service operations in order to strengthen Postal Service finances.

"The American public understands the financial challenges of the Postal Service and supports these steps as a responsible and reasonable approach to improving our financial situation," said Donahoe. "The Postal Service has a responsibility to take the steps necessary to return to long-term financial stability and ensure the continued affordability of the U.S. Mail."

The operational plan for the new delivery schedule anticipates a combination of employee reassignment and attrition and is expected to achieve cost savings of approximately \$2 billion annually when fully implemented.

The Postal Service is currently implementing major restructuring throughout its retail, delivery and mail processing operations. Since 2006, the Postal Service has reduced its annual cost base by approximately \$15 billion, reduced the size of its career workforce by 193,000 or 28 percent, and has consolidated more than 200 mail processing locations. During these unprecedented initiatives, the Postal Service continued to deliver record high levels of service to its customers.

While the change in the delivery schedule announced today is one of the actions needed to restore the financial health of the Postal Service, legislative change is urgently needed to address matters outside the Postal Service's control. The Postal Service continues to seek legislation to provide it with greater flexibility to control costs and generate new revenue and encourages the 113th Congress to make postal reform legislation an urgent priority.

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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