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## POSTAL NEWS

Contact: David Partenheimer  
[david.a.partenheimer@usps.gov](mailto:david.a.partenheimer@usps.gov)  
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### USPS Issues First-Year Progress Report on Achievements from Delivering for America 10-Year Plan

- *Key first-year milestones include:*
  - *Significant advancement toward \$40 billion investment in USPS facilities and postal infrastructure*
  - *Streamlined organizational structure to maximize operational precision*
  - *Conversion of nearly 63,000 workers into career employee roles*
  - *New service standards to improve reliability for mail and package delivery*
  - *Passage of bipartisan Postal Service Reform Act*
- *Under Delivering for America, USPS aims to meet or exceed 95 percent networkwide, on-time delivery when necessary network changes are completed; operate at break-even by fiscal year (FY) 2023, avoiding \$160 billion in projected losses over 10-year period*

WASHINGTON, DC — The U.S. Postal Service today released a [First-Year Progress Report](#) on Delivering for America (DFA), its 10-year plan to return the organization to financial sustainability and achieve service excellence while maintaining universal six-day mail delivery and expanding seven-day package delivery.

“We have made significant progress in the first year of our Delivering for America plan, but our work is far from over,” said Postmaster General and Chief Executive Officer Louis DeJoy. “Our employees are playing an integral role in the advancement of the plan. As we continue to implement components of the plan, we expect to significantly improve on-time delivery performance, operational capacity, precision and efficiency, and to do so in a financially sustainable manner over the coming decade. Delivering for America is helping to drive a new sense of purpose and focus across all levels in the organization.”

The Delivering for America plan was published March 23, 2021, to transform the Postal Service from an organization in financial and operational crisis to one that is self-sustaining and high performing. In the year since, the Postal Service has aggressively advanced core DFA strategies and initiatives. While much work remains to be done to address the Postal Service’s financial and operational performance, DFA has already demonstrated that the path forward is achievable, and that the organization can be financially self-sustaining, high performing and provide excellent service to the nation.

#### **Delivering for America — First-Year Progress**

Key milestones in the first year of DFA include:

- **Reversing decades of losses:** The Postal Service remains on track to achieve break-even operations for the 10-year period from FY 2021 through FY 2030, and to reverse what had been a projected \$160 billion loss for the same period. Despite recent inflationary impacts to our financial projections, the combined effects of our progress with pricing policies, network transformation, growth initiatives, and enactment of Postal Service Reform legislation reinforce that the organization should be able to record net profit beginning in the year 2024 and to sustain this financial performance through 2030.
- **Improvements in on-time national service performance.** On-time national service performance has improved beginning July 2021, with significant gains across all product categories. We recently

had our best last mile delivery performance ever as a result of our improved operational precision at the unit, route, and delivery point levels. We expect this performance to improve in the coming year as the organization continues to transform operations to achieve a 95 percent or better on-time performance across all products.

- **Streamlined organizational functions.** Completed key steps in the ongoing reorganization and streamlining of Postal Service business units in October 2021, which has achieved greater role clarity and accountability, and improved workforce empowerment and organizational focus across the enterprise.
- **Conversion of nearly 63,000 pre-career employees into career positions.** This has contributed to our objective of stabilizing workplace availability nationally.
- **New standards to provide service reliability for customers.** The Postal Service sought advisory opinions from the Postal Regulatory Commission to amend its service standards for First-Class Mail and certain periodicals and for First-Class Package Service. Mail standard changes were implemented on October 1, 2021. These new service standards are enabling the design and implementation of a more efficient and reliable network.
- **Strengthening the delivery operations network.** While we have made progress in designing a best-in-class processing and delivery operations network connected by a fully optimized surface and air transportation network, we have not finalized our plans nor begun to implement the significant changes needed across our enterprise. These efforts – impacting all aspects of our operations and infrastructure – are being refined now and will be deployed in stages this year and in the coming years.
- **Investing in postal infrastructure.** Nearly \$6.3 billion has been committed from a \$40 billion+ commitment to invest in core postal infrastructure over the course of the coming decade — covering delivery vehicles, technology, retail locations, processing equipment, facility buildings and delivery operations. The Postal Service recently ordered an initial 50,000 Next Generation Delivery Vehicles for \$3 billion, including 10,019 battery electric vehicles.
- **New offerings to expand package delivery.** Key elements of our package volume growth strategy under the umbrella of USPS Connect™ were launched through pilot projects and continue to roll out nationally. This set of offerings aims to broaden network access to next-day delivery capability for businesses of all sizes. USPS Connect was leveraged to support the Biden Administration’s public health initiative to provide free COVID-19 test kits to the public. More than 320 million test kits were rapidly delivered through the USPS Connect destinating entry model. The successful delivery of the nation’s test kits demonstrates the future applicability of the Postal Service in package delivery and the role USPS plays in the nation’s critical infrastructure.
- **Judicious implementation of new pricing authority.** After 16 years of pricing policies misaligned with organizational needs, the Postal Regulatory Commission provided a new pricing framework for market dominant products. The Postal Service has taken judicious advantage of this new authority through pricing strategies that have already generated \$1.9 billion in annualized revenue.
- **Postal Service Reform Act passage.** Successful implementation of DFA requires partnership from legislative and regulatory stakeholders as its composition includes: Self-help initiatives to provide billions in new revenue and cost reductions, while improving the predictability and reliability of service; judicious implementation of new and existing pricing authorities; and legislative changes to retiree health benefit funding rules, including requiring Medicare integration, and eliminating the pre-funding requirement. This legislation – The Postal Service Reform Act – was passed with strong bipartisan support by both the House and Senate and enacted on April 6, 2022, and generates a total plan benefit of \$44.5 billion expense reduction.
- **Making pandemic costs whole.** The Postal Service negotiated with the Treasury Department to gain disbursement of \$10 billion in funding from the CARES Act to offset and reimburse extraordinary costs associated with maintaining service performance during the pandemic in 2020-2021.

To learn more and read the First-Year Progress Report and the Delivering For America plan in full, visit [usps.com/deliveringforamerica](https://usps.com/deliveringforamerica).

The Postal Service generally 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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