

# United States Postal Service®

## Fiscal Year 2024 Annual Report to Congress

Fiscal Year 2024 Annual Report

Fiscal Year 2024 Comprehensive Statement on Postal Operations

Fiscal Year 2024 Performance Report

Fiscal Year 2025 Performance Plan



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# Report Structure and Purpose

This document consists of the following four reports:

- Fiscal Year (FY)<sup>1</sup> 2024 Annual Report, including a statement from the United States Postal Service (USPS) Postmaster General and USPS Board of Governors Chairman on our<sup>2</sup> operations.
- FY 2024 Comprehensive Statement on Postal Service Operations.
- FY 2024 Annual Performance Report.
- FY 2025 Annual Performance Plan.

This document's purpose is to provide Postal Service information to stakeholders. The document fulfills the requirements of the following articles of Title 39 in the United States Code (U.S.C.):

- 414(f), on the reporting of financial information related to special postage stamps (p. 24).
- 416(f), on the reporting of information related to semipostal stamps (p. 24).
- 1003(a), on the reporting of executive compensation in excess of Federal Level Executive 1 (p. 35).

- 2401(e), on the submission of a Comprehensive Statement (pp. 16 – 36).
- 2402, on the submission of an Annual Report (pp. 1–15).
- 2803, on the submission of an Annual Performance Plan (pp. 38 – 60).
- 2804, on the submission of an Annual Performance Report (pp. 38 – 60).
- 3652(g), on the submission of the Comprehensive Statement, Annual Performance Report, and Annual Performance Plan (pp. 16 – 60).

<sup>1</sup> All references to a specific year or "the year" refer to the Postal Service fiscal year ending Sept. 30, 2024. However, specific month and year references pertain to the calendar dates.

<sup>2</sup> The terms "we," "us" and "our" refer to the United States Postal Service.



# FY 2024 Annual Report

## Financial and Operational Highlights

Totals at Sept. 30 and Percent Change

<i>(in millions, except percentages)</i>	FY 2024	FY 2023	FY 2022	FY 2024 Percent Change	FY 2023 Percent Change
Total mail and package volume	112,489	116,174	127,444	(3.2)	(8.8)
Total revenue with investment and interest income	\$ 80,505	\$ 79,324	\$ 78,812	1.5	0.6
Total expenses <sup>1</sup>	\$ 90,025	\$ 85,802	\$ 79,741	4.9	7.6
Impact of Postal Service reform legislation <sup>2</sup>	\$ —	\$ —	\$ 56,975	0.0	0.0
Net (loss) income	\$ (9,520)	\$ (6,478)	\$ 56,046	(47.0)	(111.6)
Purchases of property and equipment	\$ 4,199	\$ 3,000	\$ 1,796	40.0	67.0
Debt	\$ 15,000	\$ 13,000	\$ 10,000	15.4	30.0
Capital contributions of U.S. Government	\$ 16,132	\$ 16,132	\$ 16,132	0.0	0.0
Deficit since 1971 reorganization	\$ (48,764)	\$ (39,244)	\$ (32,766)	24.3	19.8
Total net deficiency	\$ (32,632)	\$ (23,112)	\$ (16,634)	41.2	38.9

<i>(in actual units indicated, unaudited)</i>	FY 2024	FY 2023	FY 2022	FY 2024 Percent Change	FY 2023 Percent Change
Number of career employees	533,724	525,469	516,760	1.6	1.7
Number of precareer employees	105,951	114,623	118,609	(7.6)	(3.4)
Total delivery points	168,578,718	166,577,596	164,904,092	1.2	1.0
Change in delivery points served	2,001,122	1,673,504	1,764,925	19.6	(5.2)

<sup>1</sup> Includes interest.

<sup>2</sup> Represents the one-time non-cash benefit due to the reversal of \$57.0 billion for past due retiree health benefit obligations that were canceled by the enactment of the Postal Service Reform Act (PSRA) in FY 2022.

# Letter from the Postmaster General and USPS Board of Governors Chairman

The year 2024 has been remarkable for the United States Postal Service — which is itself a remarkable organization. We operate in every American community, visiting over 168 million addresses six days a week — serving every residence and business. Our 640,000 dedicated men and women process, transport, and deliver more than 340 million pieces of mail and packages a day, connecting every American to one another and providing a cornerstone of America's commerce. We are a historic institution, on the eve of our 250th anniversary in 2025.

Unfortunately, we are also an organization recovering from immense financial, structural, operational, and cultural challenges. Indeed, had we not developed the Delivering for America plan, our 10-year transformation and modernization roadmap, we would have faced an uncertain future.

That is why 2024 has been remarkable. Since the launch of Delivering for America in 2021, we have made significant progress to save and reinvigorate the Postal Service. We have taken great strides to build a modern transportation, processing, and delivery network that drives package growth and supports the reliable, affordable, secure, and universal delivery of the U.S. Mail. We adopted new service standards to support a more efficient and high-performing logistics and delivery enterprise. We enhanced the customer experience and enabled faster delivery for millions of people, while also generating billions in much needed savings.

We have made unprecedented capital investments in our plant and logistics networks and our retail and delivery centers to position the Postal Service to compete in the commercial market by designing customer-centric solutions that leverage our existing assets. We have committed more than \$17 billion to date in the redesign of our processing network and the improvement of work conditions in our facilities. We began our retail modernization initiative, implementing innovative revenue-generating and community-serving initiatives across our 31,000 retail centers nationwide.

We continue to be America's delivery service provider of choice. This year, we continued to roll out Sorting and Delivery Centers (S&DCs), which improve the geographic reach and speed of mail and package deliveries as well as enhance our ability to create an integrated network. We now have 83 of these centralized hubs up and running throughout the nation.

With our laser focus on achieving higher performance levels and providing world-class customer service, we created two new functional groups this year. In March, we announced the Infrastructure and Operations Support group, and in July, we announced the Operations Integration and Performance Excellence group. Both groups report directly

to the Postmaster General to ensure we assess the health of our operations against quality standards as we strive for organizational excellence.

In September, we created a new National Sales organization, also reporting directly to the Postmaster General, to maximize our revenue strategies and growth potential as one of the core tenets of Delivering for America. This aligns our sales strategies with new capabilities provided by our transformed network and will give us a renewed focus on growing our market share within our competitive products and enhance our relevance in the marketplace.

This year we also announced the Postal Service's Environmental Sustainability Plan, including our 2030 carbon emission reduction targets. We also began our multi-year rollout of 106,480 new vehicles — 66,230 of them to be electric — earning us a 2024 Presidential Federal Sustainability Award for “Electrifying the Largest Federal Fleet.” We are proud of this accomplishment and how it demonstrates the Postal Service's strong commitment to environmental sustainability.

Sustainability is a part of all we do. While we modernize our transportation network and operations, we are also reducing carbon emissions. As part of the Delivering for America plan, our shift of shipping volume from air to surface transportation not only gave customers greater reliability and saved more than \$1.2 billion in costs but also saved over 282,000 metric tons of carbon emissions through 2024. Likewise, eliminating more than 1.1 million transportation trips saved \$396 million and 212,900 metric tons of carbon emissions.

At every level across all our operations, the organization is engaged. We are in the midst of a cultural change focused on innovation, collaboration, and problem-solving. This, coupled with the physical improvements made in 2024 — including new vehicles, refurbished facilities, and the latest in processing equipment — has stabilized the workforce. The effort to convert pre-career employees to career status, which began in 2022, has continued and has reached an impressive total of 190,000. In 2024, efforts to cut our supervisor vacancy rate also continued, and reached 6.4 percent, down from a high of 15 percent a few years ago.

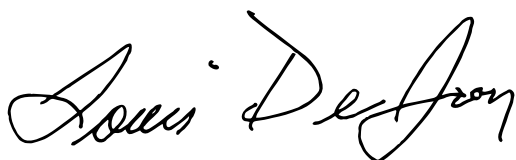
Financially, we are making solid progress to generate a sustained revenue growth trajectory in our mailing and shipping businesses, which is validation of our Delivering for America strategies. We will continue transforming and modernizing the Postal Service to operate more efficiently and at lower cost as outlined in the Delivering for America 2.0 — Fulfilling the Promise plan that builds upon the original vision for the remaining years of our 10-year transformation.

Despite inflationary headwinds impacting us this year, we remain committed to finding a path to return the Postal Service to long-term financial sustainability.

We also recognize that we are limited in what we can accomplish alone. We continue to seek Congressional action to improve the financial, business, and oversight model that currently constrains the Postal Service. We seek a fair allocation of our pension costs and reform of the burdensome and duplicative oversight functions that limit our ability to operate as a competitive enterprise. We look forward to partnering with Congress on these reforms and others in the coming years, as we did during 2024.

Details of the above accomplishments and others will be discussed throughout this 2024 Annual Report to Congress.

We thank you for taking the time to read this report and trust that it documents how our 2024 achievements follow the strategies and initiatives of the Delivering for America plan, providing a firm strategic direction for the Postal Service to continue serving our nation for another 250 years.



**Louis DeJoy**

**Postmaster General and Chief Executive Officer**



**Roman Martinez IV**

**Chairman, Board of Governors**

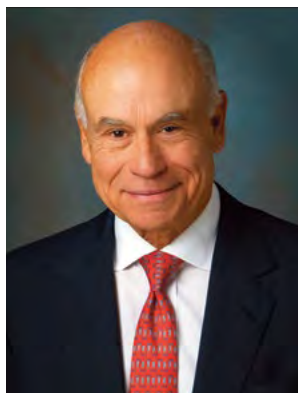


# United States Postal Service Board of Governors

The Board of Governors of the United States Postal Service is comparable to the board of directors of a publicly held corporation. The Board<sup>3</sup> consists of up to nine Governors appointed by the President of the United States with the advice and consent of the Senate.

The Governors select the Postmaster General, who becomes a member of the Board, and those 10 select the Deputy Postmaster General, who also serves on the Board. The Postmaster General serves at the pleasure of the Governors for an indefinite term, and the Deputy Postmaster General serves at the pleasure of the Governors and the Postmaster General.

As of September 30, 2024, the Board consisted of seven appointed Governors, the Postmaster General, and the Deputy Postmaster General.



## Roman Martinez IV, USPS Board of Governors Chairman

Roman Martinez IV was appointed to the Postal Service Board of Governors by President Donald J. Trump and was confirmed by the Senate on August 1, 2019. Martinez will serve for the remainder of a seven-year term that expires on December 8, 2024. On January 12, 2022, he was elected by his fellow Governors to serve as the 25th chairman of the Board of Governors. On November 10, 2022, and again on November 14, 2023, he was reelected by his fellow Governors to continue serving as chairman of the Board of Governors. Previously, he was elected by his fellow Governors to serve as the vice chairman of the Board of Governors on February 9, 2021. He also chaired the Board's Audit and Finance Committee from 2019 to 2023 and continues to serve as a member of that committee.

Martinez began his career as an investment banker in 1971 at Kuhn Loeb & Company, which merged with Lehman Brothers in 1977. He became a partner there in 1978 and worked as managing director in investment banking until his retirement in 2003. Throughout his career, he was involved in most aspects of investment banking, including public and private financings, mergers and acquisitions, corporate restructurings, and overall corporate financial advice. Since 2003, he has served on the board of directors for several companies, including Cigna Corporation, Orbital ATK, and Bacardi Limited.

Martinez has been actively involved with nonprofit organizations, including serving as vice chairman of the Investment Advisory Council of the State Board of Administration of Florida, which required confirmation by the Florida Senate. He also serves on the board of trustees of New York-Presbyterian Hospital, on the board of overseers of the International Rescue Committee, and as a member of the Council on Foreign Relations. From 2005 to 2017, he served on the board of trustees of the German Marshall Fund of the United States.

A graduate of Boston College, Martinez also obtained a Master of Business Administration from The Wharton School of the University of Pennsylvania.



## Amber F. McReynolds, USPS Board of Governors Vice Chairman

Amber F. McReynolds was appointed to the Postal Service Board of Governors by President Joseph R. Biden and was confirmed by the Senate on May 13, 2021. McReynolds will serve for the remainder of a seven-year term that expires on December 8, 2026. On November 14, 2023, she was elected by her fellow Governors to serve as vice chairman of the Board of Governors. She also currently chairs the Board's Election Mail Committee.

McReynolds is a leading expert on election administration and policy. Her professional career has been focused on strengthening democratic institutions with a goal of improving the voting experience for all: first as an election official, serving as the director of elections for the City and County of Denver, Colorado; then as a thought leader and founding chief executive officer for the National Vote at Home Institute and Coalition; and now serving as an elections consultant and advisor supporting various nonpartisan organizations across the United States.

<sup>3</sup> All "Board" and/or "BOG" references in this document refer to The Board of Governors of the United States Postal Service.

As the former Director of Elections for the City and County of Denver, Colorado, McReynolds led the implementation of a first-in-the-nation ballot tracking, reporting, and communication program to increase accountability and enhance security for mail ballots. Her efforts garnered national and international awards and helped to shape Colorado's vote-by-mail expansion in 2013. In 2018, *Governing Magazine* named her as a Top Public Official of the Year for her work to improve the voting process. She was also recognized as a 2020 Top Women in Business in Colorado.

McReynolds is the co-author of the book, *When Women Vote*, and regularly delivers speeches on how to improve and strengthen election processes and improve the voting experience. She serves on the National Election Task Force on Election Crises and the National Council on Election Integrity. She also serves as an advisory board member for the Massachusetts Institute of Technology (MIT) Election and Data Science Lab, as a board member for Represent Women, and serves on various advisory boards for other national organizations focused on improving election administration. McReynolds also served on the 2021 Colorado Independent Redistricting Commission.

McReynolds is a graduate of the University of Illinois at Urbana-Champaign and the London School of Economics and Political Science. She is also a Certified Election Registration Administrator.



## **Anton G. Hajjar, Governor**

Anton G. Hajjar was appointed to the Postal Service Board of Governors by President Joseph R. Biden and was confirmed by the Senate on May 28, 2021. Hajjar served the remainder of a seven-year term that expired on December 8, 2023, and he is currently in his holdover year. On January 12, 2022, he was elected by his fellow Governors to serve as vice chairman of the Board of Governors—a role he served in until December 2023. He currently chairs the Board's Compensation and Governance Committee and serves on the Operations and Election Mail Committees.

Hajjar previously served as the general counsel of the American Postal Workers Union, AFL-CIO. Before this position he represented unions and workers while serving as counsel at Murphy Anderson PLLC, and as a principal at O'Donnell, Schwartz & Anderson, PC. Hajjar has also been

an advisor and pro bono attorney in employment discrimination cases, many involving Arab- and Muslim-Americans.

In 2002, Hajjar was elected to the membership of the American Law Institute (ALI). He was elected to the ALI Council (its governing board) in May of 2010. He was an advisor to the now completed Restatement of the Law, Employment Law and is an advisor to Principles for a Data Economy—Data Rights and Transactions. He also served on the members' consultative group on the Restatement of the Law, Charitable Nonprofit Organizations and is currently on the members' consultative groups of the Restatement of the Law, Consumer Contracts; Restatement of the Law, Corporate Governance; and Restatement of the Law Fourth, Property.

Hajjar is a graduate of Fordham University and Tulane University Law School, where he was a member of the Tulane Law Review. He also clerked for the Hon. Judge John Minor Wisdom of the United States Court of Appeals for the Fifth Circuit.



## **Robert M. Duncan, Governor**

Robert M. Duncan was nominated to the Postal Service Board of Governors by President Donald J. Trump and was confirmed by the Senate in August 2018. The Senate confirmed Duncan for a second term in December 2019. His current term expires December 8, 2025. Duncan served as the 23rd chairman of the Board of Governors from September 2018 to February 2021. He currently serves on the Board's Compensation and Governance Committee.

Duncan's federal government service began in 1989, with an appointment to the President's Commission on Executive Exchange. Duncan was assistant director of the White House Office of Public Liaison under President George H.W. Bush. Duncan served as a member of the board of directors of the Tennessee Valley Authority from 2006 to 2012 and as the board's chairman from

2009 to 2010. In 2017, he was named the 17th Chairman of the President's Commission on White House Fellowships.

Outside of government service, Duncan served as chairman of the Republican National Committee from 2007 to 2009. Duncan was also president and chief executive officer of the American Coalition for Clean Coal Electricity from 2012 to 2016, and chairman and chief executive officer of a community bank in Kentucky, from which he retired in 2021. He is currently the chairman of the board of trustees at Alice Lloyd College, a private four-year liberal arts college in Pippa Passes, Kentucky. He taught democracy to former communist leaders through the International Republican Institute internationally, and he helped found the U.S. China High Level Political Party Leaders Dialogue.

Duncan holds degrees from University of the Cumberlands and the University of Kentucky College of Law, and he has completed various executive education programs.

## Derek Kan, Governor



Derek Kan was appointed to the Postal Service Board of Governors by President Joseph R. Biden and confirmed by the Senate on May 12, 2022. Kan will serve for a term expiring December 8, 2028. He currently serves on the Board's Audit and Finance, Compensation and Governance, and Operations Committees.

Kan currently serves as a Vice President at Shopify, after its acquisition of Deliverr, an e-commerce fulfillment company where he was chief business officer. Before this role, Kan held several high-level positions in the federal government, including deputy director of the White House Office of Management and Budget, and undersecretary at the U.S. Department of Transportation. Kan also served as a member of the White House Coronavirus Task Force and was involved in Operation Warp Speed.

Before his recent public service, Kan held various positions focused on emerging technologies, including general manager for Lyft. Earlier in his career, Kan was a policy advisor to the former Senate Majority Leader and was a Presidential Management Fellow at the White House Office of Management and Budget.

Kan currently serves on the board of directors of Toll Brothers, the nation's largest luxury home builder. He previously served as a member of the board of directors of Amtrak from January 2016 through May 2019.

Kan received a Bachelor of Science from the University of Southern California, a Master of Science from the London School of Economics, and a Master of Business Administration from the Stanford Graduate School of Business, where he was an Arjay Miller Scholar.

## Ronald A. Stroman, Governor



Ronald Stroman was appointed to the Postal Service Board of Governors by President Joseph R. Biden and confirmed by the Senate on May 12, 2021, for a term that expired on December 8, 2021. On May 13, 2021, he was confirmed by the Senate to a second term expiring on December 8, 2028. He serves on the Board's Operations and Election Mail Committees.

Stroman served as the 20th Deputy Postmaster General (DPMG), the second-highest ranking postal executive, from March 2011 until his retirement in June 2020. Since leaving the Postal Service, he worked as a senior fellow at the Democracy Fund and served as the lead for President Biden's transition team for the Postal Service.

While serving as DPMG, Stroman was directly responsible for the Postal Service functions of Government Relations and Public Policy, International Postal Affairs, Sustainability, and the Judicial Officer Department. In this role, he facilitated relationships with Congress, and with federal, state, and local agencies as the Postal Service pursued its core business strategies. He also had the lead role in working with the Universal Postal Union and the Department of State on international postal policy. During his tenure as DPMG with Postmaster General Pat Donahoe, Stroman led Corporate Communications and Consumer and Industry Affairs. He was appointed to head election mail efforts during his time as DPMG.

Stroman had more than 30 years of professional experience in government, legislative affairs, and leadership before becoming DPMG. From 1978 to 1984, he was an attorney with the Department of Housing and Urban Development. He then moved into a position as counsel on the Judiciary Committee of the U.S. House of Representatives. He also worked for the Committee on Government Operations and became a minority staff director and counsel for the House Committee on Oversight and Government Reform.

In 1997, Stroman took a director's position with the U.S. Department of Transportation. In 2001, he joined the General Accounting Office as managing director for the Office of Opportunity and Inclusiveness. He returned to the House in 2009, where he served as staff director, Committee on Oversight and Government Reform, before joining the Postal Service. Stroman earned his Juris Doctorate from Rutgers University Law Center.



## Daniel Tangherlini, Governor

Daniel Tangherlini was appointed to the Postal Service Board of Governors by President Joseph R. Biden and confirmed by the Senate on May 12, 2022. Tangherlini will serve for a term expiring December 8, 2027. He currently chairs the Board's Audit and Finance Committee.

Tangherlini has an extensive background in public administration, business, finance and corporate governance. He has served in leadership roles in the public, nonprofit, and private sectors.

His interest is in bringing increased equity and effectiveness to business, philanthropy, and government through the thoughtful application of technology, process, and systems reform. He is currently a managing director with the Emerson Collective, a private philanthropic and investment firm dedicated to removing barriers to opportunity so that people can live to their fullest potential.

He served as its first chief financial officer until the fall of 2020.

Before joining Emerson, Tangherlini was the president of the technology start-up Seamless Docs Federal. He also founded an urban systems consulting practice, City's Garage. Before that, he was the chief operating officer of Artemis Real Estate Partners, a real estate private equity firm with commercial real estate investments across the United States. Before Artemis, Tangherlini served as administrator of the General Services Administration (GSA), having been nominated to serve in the position by President Barack Obama and confirmed by the U.S. Senate. As the agency head of GSA beginning in 2012, he identified creative ways to leverage unused government assets, particularly real property, including launching a series of high-value property exchange and redevelopment proposals such as the Federal Bureau of Investigations (FBI) Headquarters in Washington, DC; Volpe Transportation Research Center in Massachusetts; and Moffett Federal Airfield in California. He also launched a technology advisory practice to serve other government agencies called 18F.

Tangherlini served as the chief financial officer at the U.S. Department of the Treasury from 2009 to 2013 (also a Senate-confirmed position), concurrently serving as the assistant secretary for management. Before his role at Treasury, he managed operations, budget development and performance management of District of Columbia agencies when he served as the city administrator and deputy mayor from 2006 to 2009. While city administrator, he also served as vice chair of the board of directors for the District of Columbia Water and Sewer Authority (now DC Water). In 2006, he served as the interim general manager of the Washington Metropolitan Area Transit Authority, having previously served on its board of directors. From 2000 to 2006, he served as director of the District of Columbia Department of Transportation, and from 1998 to 2000, as chief financial officer of the Metropolitan Police Department. From 1997 to 1998, he served in the Office of Policy at the U.S. Department of Transportation, and from 1991 to 1997, he served in various capacities at the U.S. Office of Management and Budget.

Tangherlini received a Bachelor of Arts and Master of Arts in public policy studies from the University of Chicago and a Master of Business Administration from the Wharton School of Business of the University of Pennsylvania.



## **Louis DeJoy, USPS Postmaster General and Chief Executive Officer**

Louis DeJoy is the 75th Postmaster General of the United States and the Chief Executive Officer (CEO) of the world's largest postal organization by mail volume delivered.

Appointed by the Governors of the Postal Service, DeJoy began his tenure as Postmaster General in June 2020. Prior to joining the Postal Service, he spent more than 35 years growing and managing a successful nationwide logistics company.

As Postmaster General, DeJoy has committed to creating a long-term, viable operating model for the Postal Service that will ensure the organization can fulfill its public service mission while remaining self-sustaining.

DeJoy is a member of the Board of Trustees at Elon University in North Carolina and the Fund for American Studies in Washington, DC. He received his Bachelor of Business Administration from Stetson University.



## **Douglas Tulino, Deputy Postmaster General and Chief Human Resources Officer**

Douglas Tulino was appointed to serve as the Deputy Postmaster General of the United States in May 2021. He has continued to serve as Chief Human Resources Officer (CHRO), emphasizing a commitment to the Postal Service workforce and to initiatives in the 10-year Delivering for America plan, which are designed to make the Postal Service a great place to work for all employees.

As Deputy Postmaster General, Tulino has ensured the organization's culture, talent, labor relations, and leadership development are all contributing to the successful implementation of the Delivering for America plan. He has also played a key leadership role in ongoing stakeholder outreach.

As CHRO, he oversees all aspects of Human Resources (HR) for the Postal Service's 640,000-member workforce. He is responsible for Labor Relations, HR Management, Organizational Development, Compensation and Benefits, Talent Management, Recruiting and Hiring, and HR Technology.

Tulino holds a Bachelor of Business Administration and Industrial Relations from Kent State University in Ohio.



# USPS Executive Leadership Team (ELT)



**Postmaster General  
and Chief Executive  
Officer**

**Louis DeJoy**



**Deputy Postmaster  
General and Chief  
Human Resources  
Officer**

**Douglas Tulino**



**Chief Retail and  
Delivery Officer and  
Executive V.P.**

**Joshua Colin, Ph.D.**



**Chief Processing and  
Distribution Officer  
and Executive V.P.**

**Isaac Cronkhite**



**Chief Logistics  
and Infrastructure  
Officer and  
Executive V.P.**

**Ronnie Jarriel**



**Chief Technology  
Officer and Executive  
V.P.**

**Scott Bombaugh**



**Chief Customer and  
Marketing Officer  
and Executive V.P.**  
**Steven Monteith**



**Chief Information  
Officer and  
Executive V.P.**  
**Pritha Mehra**



**Chief Financial  
Officer and Executive  
V.P.**  
**Joseph Corbett**



**General Counsel and  
Executive V.P.**  
**Thomas Marshall**

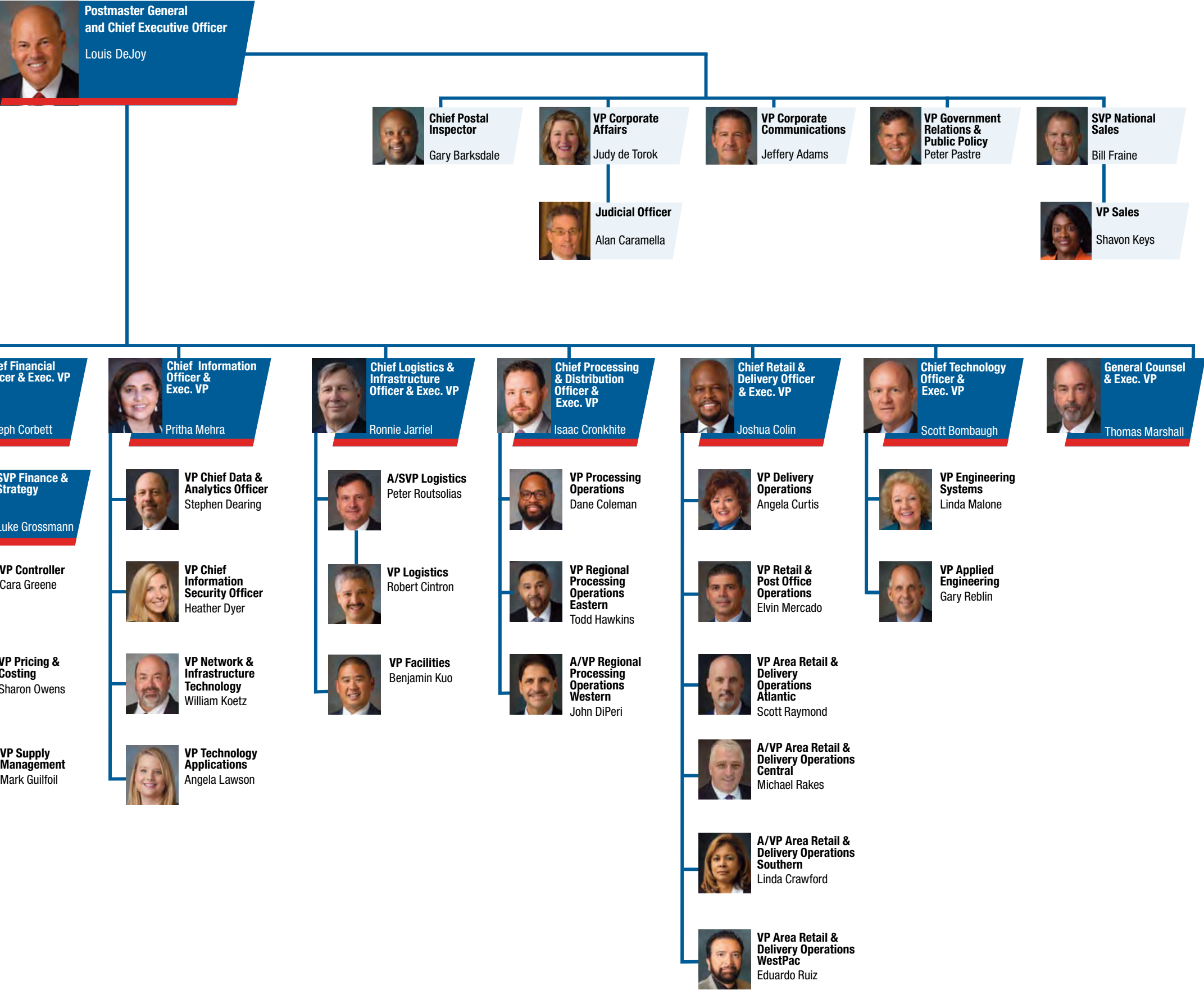


**Finance and Strategy  
Senior V.P.**  
**Luke Grossmann**

# USPS Organizational Chart

Blue and red background = Executive Leadership Team (11 Members)

Version as of end of FY 2024



# FY 2024 Comprehensive Statement on Postal Service Operations

## USPS History and Mission Statement

### Our History

The United States Postal Service has a storied history as the institution of our government guaranteeing safe and secure communication among and between the government and the American people.

Many are familiar with our history, which began with the Second Continental Congress and Benjamin Franklin in 1775 and continued in 1787 when the Postal Clause of the U.S. Constitution empowered Congress to establish Post Offices and post roads. Congress exercised those powers with the passage of The Post Office Act of 1792, which made postal services a permanent fixture of the federal government. The act included provisions to facilitate freedom of the press, ensure the privacy of personal correspondence, and expand the nation's physical infrastructure, all vital to our nation's growth and prosperity.

These principles and objectives endure. While radio, television, and the internet have irrevocably altered our information-gathering habits, postal correspondence remains the most secure and resilient form of communication, providing the American people with a delivery infrastructure vital to our national security.

The Postal Service retains the largest physical and logistical infrastructure of any non-military government institution, providing an indispensable foundation supporting an ever-changing and evolving nationwide communication network. Capitalizing on its expertise in scheduling and high-volume sorting, USPS also serves a vital role in enabling digital commerce.

### Our Mission

In April 2020, the Postal Service Board of Governors adopted the following mission statement for the Postal Service to conduct long-range planning and set strategic policy:

- To serve the American people and, through the universal service obligation, bind our nation together by maintaining and operating our unique, vital, and resilient infrastructure.
- To provide trusted, safe, and secure communications and services between our government and the American people, businesses and their customers, and the American people with each other.
- To serve all areas of our nation, making full use of evolving technologies.

To meet this mission, we will:

- Remain an integral part of the United States government, providing all Americans with universal and open access to our unrivaled delivery and storefront network.
- Maintain and enhance our reputation and role as a trusted face of the federal government in every community and provide all levels of government with access to our network and services.
- Provide frequent, reliable, safe, and secure delivery of mail, packages, and other communications to all Americans.
- Use technology, innovation, and where appropriate, private sector partnerships, to optimize and adapt our network, operations, and business model to meet the changing needs of our customers and delivery recipients, while maintaining our core mission.
- Operate in a modern, efficient, and effective manner that allows us to minimize what we charge for our services, consistent with meeting, in a fair way, our obligations to our current and retired employees and other stakeholders.
- Remain an employer of choice, able to attract, retain, and develop high-quality employees who possess the skills necessary to excel in a rapidly changing business environment.



## Commitment to Diversity

The Postal Service remains committed to ensuring our workforce reflects the diverse communities we serve at all levels of the organization. We will remain focused on our efforts to continually enhance the diversity of our organization through targeted recruitment, expanding employee development opportunities, and enhancing leadership development and our corporate succession planning programs.

In FY 2024, the Postal Service accomplished the following in pursuit of improving diversity in our leadership ranks and overall workforce:

- Continued to increase outreach by expanding the number of agencies and job boards used to advertise, recruit, and hire talent from underrepresented groups.
- Expanded partnerships with veteran agencies to advertise, recruit, and hire members from our military communities.
- Redesigned our core leadership program curriculums to update diversity content.
- Updated the Officer, Executive, and Managerial Competency Models and associated behavioral benchmarks that serve as a valuable tool in helping to identify, assess, and develop a diverse pool of future leaders.
- Continued with the program offerings for our Leadership Programs to include two Managerial Leadership Programs and six Advanced Leadership Programs allowing for more

participants. These programs are intended to prepare employees in our Corporate Succession Planning program for their first executive assignment by developing them in a variety of managerial and executive competencies.

- Launched a new USPS Leadership Pilot Program designed with a hybrid learning approach of in-person, self-paced, and interactive virtual training sessions to cultivate essential leadership skills and foster professional growth.
- Enhanced the talent review process for Officer and Executive succession planning to increase transparency in the process and to better assess the strength of our leadership pipeline to fill critical roles.
- Expanded course offerings to promote management and leadership critical skills to a larger audience, enabling us to continue to build a bench of diverse leaders and managers outside of our core leadership programs.

Currently, historically underrepresented racial groups account for 54 percent of the total workforce and women account for 45 percent. Further, historically underrepresented racial groups comprise 39 percent and women comprise 36 percent of senior USPS management positions.<sup>4</sup>

More than a quarter of Postal Service workers are Black or African American (30 percent), 14 percent are Hispanic or Latino, and 8 percent are Asian. In contrast, according to 2022 Census Bureau labor force statistics from the Current Population Survey, Black Americans make up 13 percent,

<sup>4</sup> Senior management is defined as Officer, Executive, and Payband level positions.

Hispanic Americans 19 percent, and Asian Americans 7 percent.<sup>5</sup>

The Postal Service workforce is comprised of just under 10 percent of veterans' preference eligible employees, which is nearly double the national rate of 5.3 percent for veterans, according to the Bureau of Labor Statistics.<sup>6</sup>

In 2024, the Postal Service was recognized as a Top 20 Government Employer in *Equal Opportunity Magazine*, *Careers & the disABLED Magazine*, and *Woman Engineer Magazine*. The Postal Service was also ranked a Top Ten Military Friendly Employer and Military Spouse Friendly Employer by VIQTORY.

## Overview of Postal Service Operations

After the passage of the Postal Reorganization Act (PRA), the United States Postal Service began operations July 1, 1971, succeeding the cabinet-level Post Office Department. The PRA established the Postal Service as an "independent establishment of the executive branch of the Government of the United States."

According to Title 39 U.S.C. subsection 101(a), "The United States Postal Service shall be operated as a basic and fundamental service provided to the people by the

Government of the United States, authorized by the Constitution, created by an Act of Congress, and supported by its people. The Postal Service shall have as its basic function the obligation to provide postal services to bind the Nation together through the personal, educational, literary, and business correspondence of the people. It shall provide prompt, reliable, and efficient services to patrons in all areas and shall render postal services to all communities."

In 2022, Congress passed the Postal Service Reform Act (PSRA) that, among other things, amended Title 39 U.S.C. subsection 101(b) to ensure the Postal Service maintained delivery service "at least six days a week, except during weeks that include a Federal holiday, in emergency situations such as natural disasters, or in geographic areas where the Postal Service has established a policy of delivering mail fewer than six days a week as of the date of enactment of the PSRA of 2022." Additionally, the PSRA established the requirement for the Postal Service to maintain an integrated network for the delivery of market-dominant and competitive products.

In accordance with the provisions of the law, the Postal Service fulfills its legal mandate to provide universal services at fair and reasonable prices by offering a variety of postal services to its many customers.

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<sup>5</sup> *Labor force characteristics by race and ethnicity, 2022*. Retrieved September 11, 2024, from *labor force characteristics by race and ethnicity, 2022: BLS Reports: U.S. Bureau of Labor Statistics*.

<sup>6</sup> *Employment Situation of Veterans – 2023, Table 5. Employed persons 18 years and over by industry, class of worker, sex, veteran status, and period of service, 2023 annual averages* (Last Modified Date: March 20, 2024). Retrieved September 12, 2024, from <https://www.bls.gov/news.release/vet.t05.htm>.



Although the Postal Accountability and Enhancement Act of 2006 (PAEA) classifies the services offered as Market Dominant and Competitive “products,” the term “services” is often used in this report for consistency with other descriptions of services the Postal Service offers.

## USPS Services and Postal Rates

To fulfill its universal service obligation, the Postal Service provides services to patrons in all areas and communities in the United States. The Postal Service serves cities, rural areas, communities, and small towns and uses a variety of transportation methods to move mail through this large network, including both surface and air transportation. As a self-funded organization, the Postal Service generally receives no tax dollars for its operating expenses and relies on the sale of postage, products, and services to fund its operations.

Services are sold at approximately 31,100 Postal Service-managed Post Offices, stations, and branches, plus approximately 2,720 additional Contract Postal Units, Community Post Offices, and Village Post Offices. A large network of commercial outlets also sells stamps and services on behalf of the Postal Service. Customers can also purchase stamps and services on the web at [usps.com](https://usps.com). Mail deliveries are made to more than 168 million city, rural, PO Box, and highway contract route delivery points.

Services include the following:

- **First-Class Mail** — This category includes letters, cards, and large envelopes destined for either domestic or international (up to 3.5 ounces) delivery. Large envelopes may weigh up to 13 ounces to domestic destinations and less than 15.994 ounces if mailed internationally. It contains correspondence, bills or statements of account, payments, and other mailable content.
- **Marketing Mail** — This category includes advertisements and marketing packages weighing less than 16 ounces and meeting the criteria of not being required to be mailed using First-Class Mail service because of their content. Marketing Mail is typically used for direct advertising to multiple delivery addresses. Every Door Direct Mail is a category of Marketing Mail; it enables customers to prepare direct mailings without names and addresses for distribution to all business and residential customers on individual carrier routes.
- **Periodicals** — This category encompasses the Periodicals class of mail offered for distribution of newspapers, magazines, and newsletters that have a required delivery frequency. Customers must receive prior USPS authorization to use this service.
- **Shipping and Packages** — This category includes the following services:
  - **USPS Ground Advantage**, which is the Postal Service’s shipping offering that simplifies our package options by combining three products – USPS Retail Ground, Parcel Select Ground, and First-Class Package Services – into one simplified ground solution. USPS Ground Advantage provides a simple, reliable, and more affordable way to ship packages weighing up to 70 pounds in 2 to 5 business days across the contiguous United States, and slightly longer for packages going to Alaska or Hawaii.
  - **Package Services**, which is for merchandise or printed matter, such as library and media mail weighing up to 70 pounds.
  - **Parcel Services**, which describes Parcel Select and Parcel Returns services, including “last-mile” products, and USPS Marketing Mail Parcels, which provide commercial customers with a means of package shipment.
  - **Priority Mail**, which is offered as a service both within the U.S. and abroad with domestic, day-specified (non-guaranteed) delivery.
  - **Priority Mail Express**, which provides overnight to 2-day delivery, with money-back guaranteed service including tracking, proof of delivery, and basic insurance up to \$100 included. Priority Mail Express delivery is offered to many major U.S. markets for delivery 365 days a year with limited exceptions.
- **USPS Connect** — To help businesses meet growing consumer demand for affordable, fast local, regional, and national deliveries and returns, the USPS Connect suite of products offers these options:
  - **USPS Connect Local**, which allows for local businesses to quickly reach local customers. USPS Connect Local offers affordable next-day service in all locations, with same-day delivery, Sunday delivery, and pickup options in select locations. This offering also includes USPS Connect Local Mail, an affordable First-Class Mail option for documents up to 13 ounces.
  - **USPS Connect Regional**, which provides regional entry and next-day delivery of Parcel Select packages and Parcel Select Lightweight packages. Businesses can reach a majority of the population next-day with regional hub and plant destination entry, or next-day and two-day with regional destination Network Distribution Center entry.
  - **USPS Connect National**, which provides delivery solutions for businesses of all sizes. Businesses can benefit from the Postal Service’s new mail processing equipment and reconfigured network to receive reliable delivery of packages through Priority Mail Express, Priority Mail, and USPS Ground Advantage.
  - **USPS Connect Returns**, which includes services for businesses to offer their customers convenient returns, with free en-route pickup by their carrier or drop-off at a nearby Post Office location. Businesses can access returns information on [usps.com](https://usps.com).
- **International Mail** — This category offers international mail and shipping services with individual customer contracts and agreements with foreign postal administrations. Priority Mail Express International and Priority Mail International

services compete in the e-commerce cross-border market to about 180 countries. In addition, First-Class Package International Service offers competitive solutions to both retail and commercial mailers for shipping to many countries.

- **Other** — This broad category includes PO Box services, money orders and USPS Extra Services. PO Box services provide customers an additional method for private and convenient mail delivery. Money orders offer customers a safe, convenient, and economical method for payment remittance. Money orders are available for amounts up to \$1,000, can be purchased and cashed at most Post Offices, or deposited or negotiated at financial institutions. USPS Extra Services offer a variety of service enhancements that provide security, proof of delivery, or loss recovery. These services include Certified Mail, Registered Mail, Signature Confirmation, Adult Signature, and insurance up to \$5,000. Extra Services are available online, at Post Offices, or at USPS self-service kiosks.

Market Dominant services include, but are not limited to, First-Class Mail, Marketing Mail, Periodicals, Bound Printed Matter parcels, Marketing Mail parcels, and Library/Media Mail.

Market Dominant prices are established to be fair, equitable, and affordable. Prices and fees are reviewed and approved by the Postal Service Board of Governors and are subject

to a review process by the Postal Regulatory Commission (PRC). Price increases for Market Dominant services are generally subject to a price cap based on the Consumer Price Index for All Urban Consumers (CPI-U) with some additional pricing flexibility and authority.<sup>7</sup> In FY 2024, the retail price for a First-Class Mail 1-ounce stamp was raised \$0.07 to \$0.73 and continued to be one of the lowest letter-mail postage rates among industrialized countries.

Competitive services, such as Priority Mail, Priority Mail Express, USPS Ground Advantage, Parcel Select, Parcel Return Service, and some types of International Mail, are not limited by a price cap. By law, the price for each Competitive service must cover its “attributable costs” (meaning the Postal Service’s costs attributed to such service through reliably identified causal relationships). Further, Competitive services collectively must contribute an appropriate share to the institutional costs of the Postal Service. In general, the Postal Service attempts to set its prices for Competitive services to maximize profitable revenue. The FY 2024 average price increases varied by Competitive services product.

For more information on postal services and products, visit [usps.com](https://usps.com).

<sup>7</sup> For additional information regarding the Postal Service’s pricing authority, please reference PRC Order 5763, issued in November 2020.



# Operations

Since the beginning of the Delivering for America plan, the Postal Service has continued to align its organizational structure to improve line of sight and drive operational precision, enhancing role clarity and increasing accountability in support of its mission and strategy, and to focus on what it does best: collect, process, move, and deliver mail and packages.

The organization has undergone a comprehensive restructure, realigning various nationwide, administrative functions to headquarters and forming new cross-functional groups to ensure alignment with Delivering for America strategies. A key change for the Postal Service in FY 2024 has been the organizational restructuring centered around three operating units:

- **Retail and Delivery Operations** — Focused on accepting and delivering mail and packages efficiently and with a high level of customer satisfaction.
- **Processing and Distribution** — Focused on executing operating plans for all processing and distribution operations, processing facilities, and distribution network.
- **Logistics and Infrastructure** — Focused on leveraging Postal Service infrastructure to enable growth, operating a world-class transportation network, and developing cost-and service-enhancing processes through plants and delivery operations.

As part of the operational realignment and to better serve the American public, the Postal Service adjusted its Retail and Delivery Operations areas and districts (Figure #1), as well as its Logistics and Processing Operations regions and divisions (Figure #2).

Figure #1: Retail and Delivery Operations Areas and Districts

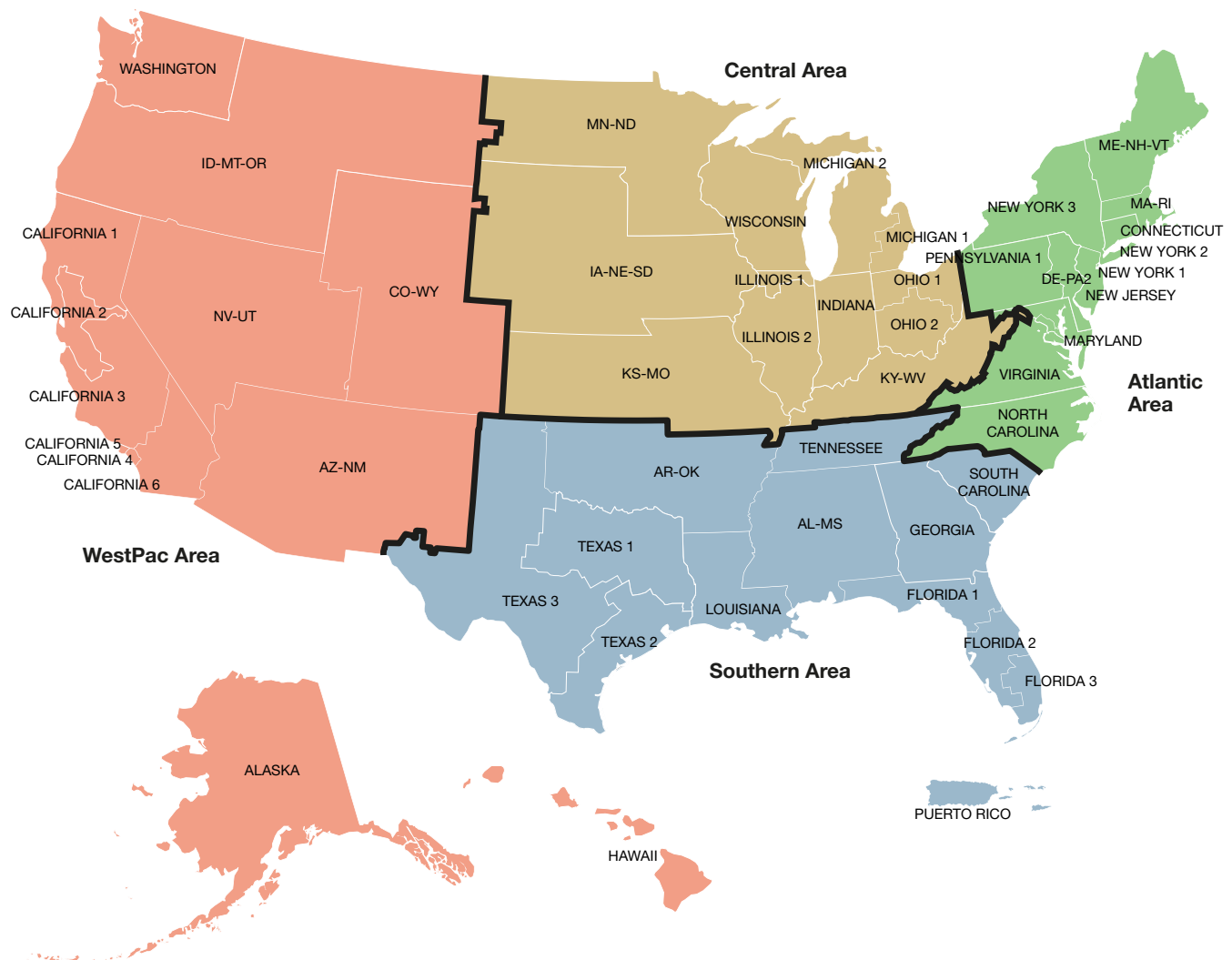
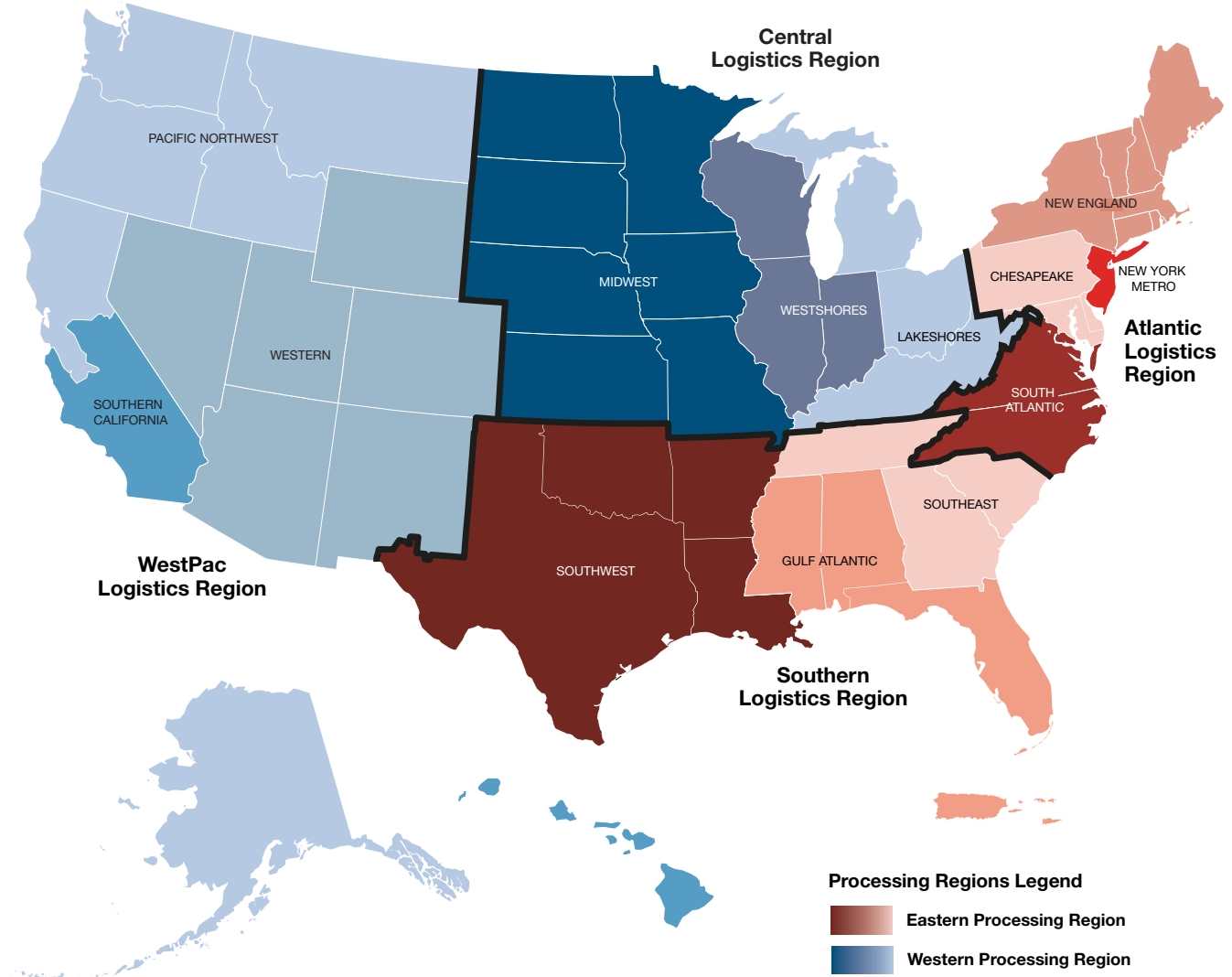


Figure #2: Logistics and Processing Operations Regions and Divisions





## Semipostal Stamps

Semipostal stamps are congressionally mandated either directly or through the discretionary authority granted to the U.S. Postal Service through the Semipostal Authorization Act, Public Law 106-253. Under this act, the U.S. Postal Service may issue and sell semipostal fundraising stamps to advance such causes as it considers to be “in the national public interest and appropriate.” The law specified that the U.S. Postal Service can issue up to five new semipostal fundraising stamps over a 10-year period.

In FY 2024, funds generated from semipostal stamps relate to the date range of October 1, 2023, to September 30, 2024. Additionally, funds paid, to the organizations, relate to the date range of April 1, 2023, to March 31, 2024.

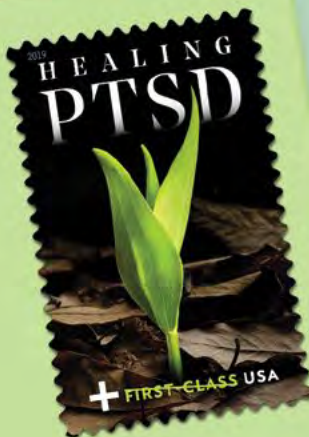
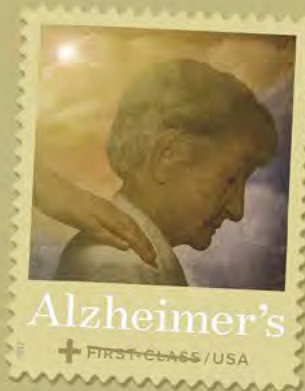
The Postal Service sold four semipostal stamps: the congressionally mandated *Breast Cancer Research* semipostal stamp, the congressionally mandated *Save Vanishing Species* semipostal stamp, and under the U.S. Postal Service’s discretionary authority the *Alzheimer’s* semipostal stamp and the *Healing PTSD* semipostal stamp.

The ***Breast Cancer Research* semipostal stamp** generated approximately \$1.4 million in funds in excess of the postage value in FY 2024. The Postal Service did not deduct any costs in connection with these stamps in FY 2024. The Postal Service distributed approximately \$1.0 million (70 percent) to the National Institutes of Health within the Department of Health and Human Services and approximately \$0.4 million (30 percent) to the Breast Cancer Research Program within the U.S. Department of Defense.

The ***Save Vanishing Species* semipostal stamp** generated approximately \$0.5 million in funds in excess of the postage value in FY 2024. The Postal Service did not deduct any costs in connection with these stamps in FY 2024. The Postal Service distributed approximately \$0.5 million (100 percent of the payment amount due based on the time of payment) to the U.S. Fish and Wildlife Service to support its Multinational Species Conservation Fund.

The ***Alzheimer’s* semipostal stamp** generated approximately \$0.1 million in funds in excess of the postage value in FY 2024. The Postal Service did not deduct any costs in connection with these stamps in FY 2024. The Postal Service distributed approximately \$0.1 million (100 percent of the payment amount due) in funds to the National Institute on Aging within the U.S. Department of Health and Human Services.

The ***Healing PTSD* semipostal stamp** generated approximately \$0.3 million in funds in excess of the postage value in FY 2024. The Postal Service did not deduct any costs in connection with these stamps in FY 2024. The Postal Service distributed approximately \$0.3 million (100 percent of the payment amount due) in funds to the U.S. Department of Veteran’s Affairs.





## Environmental Affairs and Corporate Sustainability

The Delivering for America plan provides the foundation for the Postal Service to continuously improve the sustainability of our operations and the environmental benefits of the organization's transformation will increase as we move forward with the plan. A new network of processing and distribution facilities will concentrate our operations and optimize our transportation systems to make a notable impact on our carbon footprint.

We are also launching one of the largest vehicle electrification efforts in the world. When you see that blue eagle on one of our new electric vehicles delivering your mail and packages, we hope you also see the Postal Service's commitment to make our operations more environmentally sustainable and to benefit our employees, our customers, and the planet we all share.

In FY 2024, the Environmental Council, chaired by Postmaster General Louis DeJoy, established environmental targets for the Postal Service. These targets focus on three core areas — Climate Action, Circular Economy, and Environmental Awareness.

### Climate Action

The Postal Service is focused on reducing its environmental impact by managing greenhouse gas emissions and expanding environmentally focused fleet and facilities. We will:

- Reduce Scope 1 and 2 greenhouse gas emissions by 40 percent by 2030.
- Reduce Scope 3 greenhouse gas emissions by 20 percent by 2030.

### Circular Economy

We are prioritizing the reduction, reuse, and recycling of the products and materials we purchase to keep them in circulation to minimize waste and demand for natural resources. We will:

- Divert 75 percent of waste from landfill by 2030.
- Increase packaging recycled content to 74 percent.
- Increase packaging recyclability to 88 percent.
- Increase renewable energy usage to 10 percent.

### Environmental Awareness

We will deliver environmental communication to our employees, our communities, and federal, state, and local entities. We will:

- Provide effective environmental awareness communication to our employees, our customers, and the public to reinforce positive brand association. This includes sharing our initiatives and commitments with administration officials as well as federal, state, and local entities.
- Work toward ensuring environmental policy requirements are communicated and incorporated into operations. This includes updating corporate operational policies to communicate and emphasize environmental policies where appropriate.
- Work toward providing on-site and online training and tools that align with policy and regulatory requirements to 100 percent of applicable employees.

Additional information on the Postal Service's sustainability efforts, including the Annual Sustainability Report which provides updates on how we are doing towards our new goals, is available at [usps.com/green](https://usps.com/green).

## Commitment to a Safe and Secure Network

The United States Postal Inspection Service (USPIS) is the law enforcement, crime prevention, and security arm of the Postal Service. Our postal inspectors, Postal Police Officers, and support personnel protect postal employees, customers, facilities, and the nation's mail from physical attack or criminal misuse.

The Postal Service's highest priority is the safety of our employees. In FY 2024, USPIS continued to broaden the scope of Project Safe Delivery, a prevention and enforcement initiative to combat mail theft and violent attacks on postal employees. Postal inspectors and other support staff conducted several "surge" operations in major cities across the United States. Approximately 110 additional Inspection Service personnel were deployed to these surge locations, where they conducted intensive two-week prevention and enforcement actions to increase the security of Postal employees, safeguard postal property, advance ongoing investigations, and disrupt organized mail theft and robbery activity. Since the expansion of these efforts over the past year, USPIS has noted a 26 percent reduction in reports of robberies of letter carriers, a 32 percent increase in the arrests of suspects for letter carrier robberies, a 10 percent reduction in high-volume mail thefts, and an 18 percent reduction in mail theft complaints compared to FY 2023.

The Inspection Service also continues to prevent the flow of illicit drugs through the mail, working tirelessly to locate and seize drug shipments and identify and disrupt Transnational Criminal Organizations, relying on close collaboration with

both domestic and international law enforcement partners as well as Foreign Posts. In FY 2024, the Inspection Service conducted the fourth phase of its Southwest Border Initiative to intercept drug parcels at high-traffic points along the southern border, resulting in the seizure of 216 kilograms of methamphetamine, 91 kilograms of fentanyl, 34.5 kilograms of cocaine, and over \$834,000 in illicit proceeds. Two similar operations in the Caribbean led to seizures of approximately 670 kilograms of cocaine, one kilogram of fentanyl, 72 kilograms of marijuana, and \$38,000 in illicit proceeds, thanks in large part to our ongoing collaboration with the Puerto Rico Police Department. As part of its commitment to collaboration, the Inspection Service's Contraband Interdiction and Investigation group has successfully screened, trained, and deputized 140 task force officers from state and local law enforcement agencies and departments throughout the United States.

The Inspection Service also aggressively investigates allegations of mail theft and related financial crimes, with specific attention on criminals who target the Postal Service's most vulnerable customers, such as the elderly or victims of natural disaster. As a member of the COVID-19 Fraud Enforcement Task Force (CFETF), USPIS worked with federal law enforcement partners to combat pandemic-related fraud by investigating fraudulent Paycheck Protection Program and Economic Injury Disaster loans. The Inspection Service also continued to create messaging to educate the public on COVID-19 scams.



USPIS plays a critical role in supporting the Delivering for America plan's goal to achieve financial sustainability and service excellence by protecting Postal Service revenue. A top priority for USPIS during FY 2024 aimed to reduce lost revenue by combating the use of counterfeit postage and stamps. Postal inspectors notified and advised large and commercial mailers of increases in the sale and use of counterfeit postage and continued to notify customers that it is a federal offense to use counterfeit postage. Working jointly with U.S. Customs and Border Protection, postal inspectors worked to identify and seize counterfeit stamps before they enter the United States, resulting in over 5 million individual counterfeit stamps seized during FY 2024, representing almost \$3 million in potential lost Postal Service revenue.

Facility security remains a high priority for USPIS and was an additional point of focus in FY 2024. In support of the Delivering for America plan to redesign and reorganize the Postal Service distribution network, postal inspectors conducted risk assessments and provided security recommendations for new and existing distribution centers.

To learn more about USPIS, visit [uspis.gov](https://uspis.gov).

## Continuity and Preparedness

The Postal Service Continuity and Preparedness group implements integrated emergency management plans, procedures, and protocols that enable operations to respond to emergencies. Our emergency response efforts include providing the additional tools and resources that enable resumption of operations quickly, safely, and efficiently. Continuity and Preparedness coordinates actions between senior leadership and field management when employees, property, and operations are threatened or directly affected by natural disasters or national emergencies.

The Postal Service's commitment to resuming safe mail delivery as soon as possible after disruptions would not be feasible without the Continuity and Preparedness team and the resilience of USPS employees and its network. This was evident in the Postal Service's ability during FY 2024 to re-establish service quickly in response to severe weather across the Midwest (such as the Sulphur, Oklahoma tornado), wildfires across the West, mercury spills in Missouri and Florida, and Hurricanes Beryl, Debby, and Helene. The Postal Service takes its mission of providing universal service across the nation seriously, striving to keep communities connected and deliver a sense of normalcy even during local, regional, or national disruptions to government services.



# Key Financial and Operating Statistics

## Financial History Summary

(in millions)	FY 2024		FY 2023		FY 2022
Operating results					
Total revenue <sup>1</sup>	\$	79,547	\$	78,383	\$ 78,620
Operating expenses					
Compensation and benefits <sup>2</sup>		54,078		52,853	51,520
Retirement benefits <sup>3</sup>		10,427		10,001	8,362
Workers' compensation		3,799		538	(2,119)
Transportation		8,815		10,111	10,281
Other operating expenses		12,346		11,884	11,526
Total operating expenses	\$	89,465	\$	85,387	\$ 79,570
Loss from operations before the impact of Postal Service reform legislation	\$	(9,918)	\$	(7,004)	\$ (950)
Impact of Postal Service reform legislation <sup>4</sup>		—		—	56,975
Income (loss) from operations	\$	(9,918)	\$	(7,004)	\$ 56,025
Investment and interest income (expense), net		398		526	21
Net (loss) income	\$	(9,520)	\$	(6,478)	\$ 56,046
Financial position					
Cash and cash equivalents <sup>5</sup>	\$	4,617	\$	8,055	\$ 19,607
Restricted cash		2,071		1,579	4,011
Investments <sup>6</sup>		12,849		11,988	—
Property and equipment, net		18,525		16,254	15,147
All other assets		7,505		7,413	7,350
Total assets	\$	45,567	\$	45,289	\$ 46,115
Workers' compensation liability		16,337		13,956	14,729
Debt		15,000		13,000	10,000
Retirement benefits		27,292		22,736	18,162
All other liabilities		19,570		18,709	19,858
Total liabilities	\$	78,199	\$	68,401	\$ 62,749
Total net deficiency	\$	(32,632)	\$	(23,112)	\$ (16,634)

<sup>1</sup> Includes non-operating income such as sale of land and buildings, sale of miscellaneous equipment, and sale of motor vehicles.

<sup>2</sup> Excludes Federal Employees Retirement Systems (FERS) normal costs, amortization of unfunded retirement benefits, and workers' compensation.

<sup>3</sup> Includes FERS normal costs and amortization of unfunded retirement benefits.

<sup>4</sup> Represents the one-time non-cash benefits due to the reversal of \$57.0 billion for past due retiree health benefit obligations that were canceled by the enactment of the PSRA in FY 2022.

<sup>5</sup> Cash and cash equivalents are unrestricted.

<sup>6</sup> Excess cash and restricted cash, available and not immediately necessary for operations, is invested in U.S. Treasury securities with maturity dates of two years or less. Includes short-term investments of \$9.5 billion and \$8.8 billion, and restricted investments of \$3.3 billion and \$3.2 billion on September 30, 2024, and September 30, 2023, respectively.

# Revenue, Pieces and Weight Statistics

(in millions of units indicated, unaudited)	FY 2024		FY 2023		FY 2022
First-Class Mail <sup>1</sup>					
Revenue	\$	25,414	\$	24,584	\$ 23,990
Number of pieces		44,312		45,982	48,960
Weight, pounds		2,305		2,371	2,470
Marketing Mail <sup>2</sup>					
Revenue	\$	15,373	\$	15,081	\$ 15,996
Number of pieces		57,506		59,424	67,092
Weight, pounds		4,270		4,654	5,428
Shipping and Packages <sup>3</sup>					
Revenue	\$	32,260	\$	31,635	\$ 31,317
Number of pieces		7,252		7,060	7,232
Weight, pounds		14,356		13,483	13,486
International Mail					
Revenue	\$	1,446	\$	1,571	\$ 1,712
Number of pieces		289		321	355
Weight, pounds		206		226	247
Periodicals					
Revenue	\$	912	\$	923	\$ 955
Number of pieces		2,748		2,993	3,400
Weight, pounds		792		883	1,055
U.S. Postal Service Mail <sup>4</sup>					
Number of pieces		368		374	386
Weight, pounds		61		63	81
Free Matter for the Blind <sup>5</sup>					
Number of pieces		14		20	19
Weight, pounds		6		8	7
Other services – revenue <sup>5</sup>	\$	4,132	\$	4,392	\$ 4,537
Postal Service totals					
Operating revenue	\$	79,537	\$	78,186	\$ 78,507
Number of pieces		112,489		116,174	127,444
Weight, pounds		21,996		21,688	22,774

Note: The Postal Service has reclassified the totals for certain mail categories in prior years to conform to classifications used in the current year. Prior period amounts for certain service categories include reclassifications of amounts among service categories to conform to current period presentation. These reclassifications are immaterial for each affected category and have no effect on total operating revenue or pieces for the period. These reclassifications are required by Postal Service regulatory requirements and are included in this document for consistency among publicly-available information.

<sup>1</sup> Excludes First-Class Mail Parcels.

<sup>2</sup> Excludes Marketing Mail Parcels.

<sup>3</sup> See Shipping and Packages and Other Services Statistics table on the following page.

<sup>4</sup> No revenue is received or recorded for this category of mail.

<sup>5</sup> By law, the Postal Service is required to offer below-cost postage prices to certain categories of mailers including blind individuals. Congress agreed to reimburse the Postal Service for revenue it had forgone by offering these below-cost postage prices.

# Shipping and Packages and Other Services Statistics

<i>(in millions of units indicated, unaudited)</i>		FY 2024	FY 2023	FY 2022
<b>Priority Mail Express</b>				
Revenue	\$	641	\$ 714	\$ 767
Number of pieces		21	24	27
Weight, pounds		21	24	28
<b>First-Class Packages<sup>1</sup></b>				
Revenue	\$	—	\$ 5,845	\$ 7,811
Number of pieces		—	1,363	1,962
Weight, pounds		—	534	750
<b>Priority Mail</b>				
Revenue	\$	7,113	\$ 11,253	\$ 12,330
Number of pieces		699	1,081	1,202
Weight, pounds		1,755	2,905	3,236
<b>Parcel Select Mail (including USPS Connect Local) and Marketing Mail Parcels</b>				
Revenue	\$	10,536	\$ 10,408	\$ 9,308
Number of pieces		3,736	3,646	3,496
Weight, pounds		8,834	8,581	8,305
<b>Parcel Return Service Mail</b>				
Revenue	\$	195	\$ 211	\$ 242
Number of pieces		58	63	70
Weight, pounds		137	149	170
<b>Package Services</b>				
Revenue	\$	901	\$ 893	\$ 859
Number of pieces		425	435	475
Weight, pounds		885	908	997
<b>USPS Ground Advantage<sup>1</sup></b>				
Revenue	\$	12,874	\$ 2,311	\$ —
Number of pieces		2,313	448	—
Weight, pounds		2,724	382	—
<b>Total shipping and packages</b>				
Revenue	\$	32,260	\$ 31,635	\$ 31,317
Number of pieces		7,252	7,060	7,232
Weight, pounds		14,356	13,483	13,486

<i>(in millions of units indicated, unaudited)</i>	FY 2024	FY 2023	FY 2022
<b>Other services</b>			
<b>Certified Mail</b>			
Revenue	\$ 713	\$ 650	\$ 624
Number of articles	157	156	163
<b>Return Receipts</b>			
Revenue	\$ 346	\$ 296	\$ 278
Number of articles	126	111	110
<b>USPS Tracking</b>			
Revenue	\$ 1	\$ 1	\$ 1
Number of articles	4	3	2
<b>PO Box Services</b>			
Revenue	\$ 1,473	\$ 1,462	\$ 1,377
<b>Money Orders</b>			
Revenue	\$ 197	\$ 186	\$ 167
Number of articles	58	63	66
<b>Insurance</b>			
Revenue	\$ 56	\$ 69	\$ 88
Number of articles	5	8	13
<b>Shipping and mailing supplies</b>			
Revenue	\$ 117	\$ 116	\$ 110
Number of articles	44	44	44
<b>Miscellaneous other services revenue</b>	<b>\$ 1,229</b>	<b>\$ 1,612</b>	<b>\$ 1,892</b>
<b>Total other services revenue</b>	<b>\$ 4,132</b>	<b>\$ 4,392</b>	<b>\$ 4,537</b>

*Note: The Postal Service has reclassified the totals for certain mail categories in prior years to conform to classifications used in the current year. Prior period amounts for certain service categories include reclassifications of amounts among service categories to conform to current period presentation. These reclassifications are immaterial for each affected category and have no effect on total operating revenue or pieces for the period. These reclassifications are required by Postal Service regulatory requirements and are included in this document for consistency among publicly-available information.*

<sup>1</sup> The Postal Service launched its USPS Ground Advantage service offering in July 2023, retiring USPS Retail Ground, USPS Parcel Select Ground, and USPS First-Class Package Services.

## Post Offices and Delivery Points

<i>(in actual units indicated, unaudited)</i>	FY 2024	FY 2023	FY 2022
<b>Post Offices, stations, and branches</b>			
<b>Postal Service-managed</b>			
Post Offices	26,207	26,257	26,265
Stations, branches, and carrier annexes	4,841	4,856	4,849
Total Postal Service-managed	31,048	31,113	31,114
Contract Postal Unit	1,600	1,650	1,731
Village Post Offices	306	350	377
Community Post Offices	359	375	397
<b>Total offices, stations, and branches</b>	<b>33,313</b>	<b>33,488</b>	<b>33,619</b>
<b>Residential delivery points</b>			
City	86,889,755	86,046,287	85,428,477
Rural	49,628,045	48,571,058	47,549,887
PO Box	16,231,913	16,164,282	16,102,394
Highway Contract	3,217,193	3,175,593	3,144,943
<b>Total residential delivery</b>	<b>155,966,906</b>	<b>153,957,220</b>	<b>152,225,701</b>
<b>Business delivery points</b>			
City	7,904,330	7,849,391	7,832,792
Rural	1,878,883	1,836,691	1,794,225
PO Box	2,744,145	2,850,724	2,968,262
Highway Contract	84,454	83,570	83,112
<b>Total business delivery</b>	<b>12,611,812</b>	<b>12,620,376</b>	<b>12,678,391</b>
<b>Total delivery points</b>	<b>168,578,718</b>	<b>166,577,596</b>	<b>164,904,092</b>
<b>Change in delivery points served</b>	<b>2,001,122</b>	<b>1,673,504</b>	<b>1,764,925</b>

Numbers reported here for FY 2023 and FY 2022 are revised in accordance with the ChIR2 question 46 response in January 2024.

## Number of Routes by Type of Delivery

Route	FY 2024	FY 2023	FY 2022
City	142,865	142,979	142,331
Rural	83,017	81,726	81,615
Contract Delivery Services	9,579	9,639	9,642
<b>Total</b>	<b>235,461</b>	<b>234,344</b>	<b>233,588</b>

## Postal Vehicle Inventory

(in actual units indicated, unaudited)

Vehicle type	FY 2024	FY 2023	FY 2022
Delivery and collection (0.5-2.5 tons)	232,241	225,310	216,456
Mail transport (tractors and trailers)	9,279	5,440	4,500
Mail transport (5-11 tons)	2,603	2,335	2,148
Administrative and other	6,460	6,430	6,366
Service (maintenance)	4,540	4,470	4,500
Inspection Service and law enforcement	2,771	2,518	2,562
<b>Total</b>	<b>257,894</b>	<b>246,503</b>	<b>236,532</b>

## Real Estate Inventory

(in actual units indicated, unaudited)

Real estate inventory	FY 2024	FY 2023	FY 2022
Owned properties	8,515	8,500	8,484
Owned interior square feet	195,625,268	195,316,449	194,603,528
Leased properties	22,798	22,873	22,951
Leased interior square feet	87,119,304	86,479,853	88,752,123
GSA <sup>1</sup> /other government properties	289	289	291
GSA <sup>1</sup> /other government interior square feet	1,687,909	1,689,201	1,729,970

<sup>1</sup> General Services Administration.

## Real Estate Inventory Actions

(in actual units indicated, unaudited)

Real estate inventory actions	FY 2024	FY 2023	FY 2022
Lease actions (alternate quarters, new leases, and renewals)	4,618	4,832	5,095
Property disposals <sup>1</sup>	2	5	5
New construction <sup>2</sup>	53	77	82
Repair and alteration projects	53,444	54,742	51,890
Repair and alteration expense project totals (in thousands, rounded)	\$ 362,683	\$ 320,193	\$ 273,000
Repair and alteration capital projects	3,835	3,749	3,662
Repair and alteration capital project totals (in thousands, rounded)	\$ 1,188,779	\$ 652,569	\$ 513,000

<sup>1</sup> Total partial and complete property sales does not include non-property sales such as right-of-ways/easements, sale of rights, defaults, installment payments, etc.

<sup>2</sup> Includes the build-out of pre-existing spaces that the Postal Service did not previously own, the new construction of leased or owned space and the expansion of existing spaces.

# Employee Complement

<i>(actual numbers, unaudited)</i>	FY 2024	FY 2023	FY 2022
<b>Headquarters (HQ) and HQ-related employees</b>			
Headquarters	8,021	7,666	7,251
Headquarters – field support units	2,811	2,839	2,403
Inspection Service	2,323	2,290	2,307
Inspector General	913	970	1,012
<b>Total HQ and HQ-related employees</b>	<b>14,068</b>	<b>13,765</b>	<b>12,973</b>
<b>Field employees</b>			
Area offices	39	46	46
Postmasters/installation heads	13,701	13,691	13,599
Supervisors/managers	27,771	26,611	23,720
Professional administration and technical personnel	1,931	1,979	1,996
Clerks (including nurses)	126,391	127,003	127,735
Mail handlers	46,077	45,131	47,268
City delivery carriers	178,559	175,011	170,391
Motor vehicle operators	11,695	10,967	9,865
Rural delivery carriers – full-time	79,512	78,266	77,199
Building and equipment maintenance personnel	28,686	27,930	27,098
Vehicle maintenance employees	5,294	5,069	4,870
<b>Total field employees</b>	<b>519,656</b>	<b>511,704</b>	<b>503,787</b>
<b>Total career employees</b>	<b>533,724</b>	<b>525,469</b>	<b>516,760</b>
<b>Pre-career employees</b>			
Casuals	59	64	69
Postal support employees	18,258	22,878	25,842
Non-bargaining temporary	272	243	319
Rural part-time	49,737	49,105	47,081
Postmaster relief and leave replacements	1,727	1,725	1,707
City carrier assistant	29,926	33,371	35,036
Mail handler assistant	5,972	7,237	8,555
<b>Total pre-career employees</b>	<b>105,951</b>	<b>114,623</b>	<b>118,609</b>
<b>Total employees</b>	<b>639,675</b>	<b>640,092</b>	<b>635,369</b>



## Executive Compensation

Federal law (U.S.C. 1003(a) of Title 39) requires the Postal Service to provide compensation and benefits to employees at a level comparable to the private sector, subject to certain limitations, and exceptions to those limitations, set forth in that section and elsewhere in the statute. The Postal Service Board of Governors establishes executive compensation and benefits, consistent with the requirements, limitations, and exceptions of the aforementioned federal law, which significantly limits the Postal Service’s ability to achieve comparability with the private sector for our executives.

Such limitations are likewise specified in section 1003(a) of title 39 which states that no officer or employee shall be paid compensation at a rate in excess of the rate for Level I of the Executive Schedule under section 5312 of title 5. However, two exceptions are granted under the Postal Accountability and Enhancement Act of 2006 (PAEA) to allow the Postal Service to exceed this limit under certain circumstances. The first exception, which is contained in section 3686(b) (1) of title 39, provides for bonuses or other rewards so long as the employees total compensation does not exceed the salary of the United States Vice President (Vice President),

as of the end of the calendar year (CY) in which the bonus or award is paid. The second exception, which is contained in section 3686(c) of title 39, allows the Postal Service to pay up to 12 officers or employees of the Postal Service in critical senior executive or equivalent positions total compensation in an amount not to exceed 120 percent of the total annual compensation payable to the Vice President as of the end of the calendar year in which such payment is received.

In accordance with legal reporting requirements, the following table reports executives compensated in excess of Federal Executive Level 1 in CY 2023. The second column of the table reports the total compensation in excess of Federal Executive Level 1, including salary and bonus or other payment. The third column lists only the amount of bonus or other payments included in that figure. The terms “bonus or other payment” in the third column of the table are statutory terms that represent various amounts which are a part of an executive’s total compensation; these amounts are predicated on the Postal Service’s maintenance of a performance appraisal system that makes meaningful distinctions based on relative performance.

# Executive Compensation Disclosure

Executive Name	CY 2023 Reportable Excess Earnings	CY 2023 Bonus or Other Payment	Executive Name	CY 2023 Reportable Excess Earnings	CY 2023 Bonus or Other Payment
Kelly Abney	\$90,589	\$38,497	Jennifer D. Utterback	\$12,320	\$22,997
Louis DeJoy	89,414	—	Angela D. Lawson	10,042	33,775
Douglas A. Tulino	88,593	12,247	Shavon L. Keys	9,820	20,497
Joshua D. Colin	88,303	24,440	Judith A. de Torok	9,820	20,497
Pritha Mehra	85,150	31,735	Sheila B. Holman	9,391	13,320
Jacqueline M. Strako	83,759	19,575	Thomas Foti	7,320	17,997
Isaac Cronkhite	83,759	19,575	Jerry Wheeler	6,459	24,189
Thomas J. Marshall	82,366	28,951	Robert Raines Jr.	6,454	15,147
Scott R. Bombaugh	80,366	26,951	Mark A. Guilfoil	6,205	13,174
Joseph Corbett	79,246	26,167	Linda K. Crawford	5,081	36,284
Steven W. Monteith	69,246	16,167	Leslie E. Johnson-Frick	4,497	21,302
Luke T. Grossmann	56,855	25,137	Kristina R. Reynoso	4,478	22,208
Peter Routsolias	35,023	35,787	Julie W. Batchelor	4,358	22,088
Scott P. Raymond	34,591	40,434	Steven A. Darragh	4,295	20,576
Jeffery A. Adams	27,844	38,521	Steven F. Wojtaszek	4,129	26,081
Thomas J. Blum	26,561	34,609	Michael Melendrez	3,910	20,191
Steve M. Dearing	23,194	41,939	Felipe Flores Jr.	3,910	20,191
Michael J. Elston	22,846	23,562	Larry R. Wagener Jr.	3,891	20,662
Elvin Mercado	22,617	23,562	Adyani Torres	3,809	21,229
Eduardo Ruiz	22,617	23,562	Keith E. Weidner	3,557	20,480
Robert Cintron	22,617	23,562	Kevin A. Calamoneri	3,557	20,480
Simon M. Storey	22,617	23,562	Cara M. Greene	3,152	13,035
Angela H. Curtis	22,617	23,562	Marc McCrery	2,320	12,997
Todd S. Hawkins	22,609	23,325	Giselle E. Valera	1,725	18,006
Dane A. Coleman	22,609	23,325	Rajinder Sanghera	909	17,191
Linda Malone	22,609	23,325	Timothy Costello	413	11,315
John M. Dunlop	21,966	31,756	Michael W. Rakes	410	16,691
John J. DiPeri	19,043	34,553	Sharon M. Young	410	16,691
Benjamin P. Kuo	18,593	20,531	Lorraine G. Castellano	410	16,691
Sharon D. Owens	17,617	18,562	Mark D. Dahlstrom	410	16,691
Gary R. Barksdale	17,617	18,562	<i>Note: Legislation requires reporting compensation in the last full calendar year. This timeframe does not align with the Postal Service fiscal year, which is from October to September.</i>		
William E. Koetz	15,984	24,677			
Heather L. Dyer	15,984	24,677			
Peter R. Pastre	15,745	25,062			
Gary C. Reblin	15,109	15,825			
Shibani S. Gambhir	13,954	22,647			
Eric E. Henry	12,320	22,997			



# FY 2024 Performance Report and FY 2025 Performance Plan

## Corporate-wide Goals and Targets

The Postal Service is a self-supporting, independent federal establishment of the U.S. government and continues to serve an indispensable role as a driver of commerce and provider of delivery services that connect Americans to one another — reliably, affordably, and securely — and to every residential and business address.

To provide a roadmap for a more efficient, valuable, and relevant organization that will meet the evolving needs of the nation and customers now and for years to come, the Postal Service issued its 10-year Delivering for America plan in March 2021. It identifies the following 13 strategic characteristics to achieve financial sustainability and service excellence:

- A Strengthened Public Service Mission
- Service Standards that Foster Service Excellence
- A Bold Approach to Growth, Innovation, and Continued Relevance
- Environmental Stewardship
- Best-In-Class Mail and Package Processing
- A Modern, Transformed Network of Post Offices
- A Fully Optimized Surface and Air Transportation Network
- Best-In-Class Delivery Operations
- A Stable and Empowered Workforce
- An Organization Structured for Success
- A Supportive Legislative and Administrative Framework
- A More Rational Pricing Approach
- Financial Stability and Investment

These strategies position the Postal Service to successfully meet the evolving mailing and shipping needs of the nation and become the preferred delivery service provider for the American public.

For additional information on our progress towards the Delivering for America plan, including the new Delivering for America 2.0 — Fulfilling the Promise plan, visit <https://about.usps.com/what/strategic-plans/delivering-for-america/>.

To assess efforts in implementing these strategies, the organization measures performance through progress against these corporate performance outcomes:

- High-Quality Service
- Excellent Customer Experience
- Safe Workplace and Engaged Workforce
- Financial Health

For each of these, the following subsections describe both the measures used to assess organizational progress in the FY 2024 Performance Report, the FY 2024 actual outcomes, the FY 2025 targets, and the plans to achieve them.

These targets are aligned with the FY 2025 Integrated Financial Plan (IFP), which includes planned revenue and expenses for FY 2025. Every fiscal year, USPS develops a budget and plan intended to be sufficient to meet its targeted financial and nonfinancial performance outcomes. The Postal Service sets all corporate-wide targets to be achievable given the planned expenses in the IFP.

The following table shows actual corporate performance from FY 2021-FY 2024 and targets for FY 2024-FY 2025 for each measure.

# FY 2024-FY 2025 Targets and FY 2021–FY 2024 Actuals for Corporate-wide Performance Outcomes

## Corporate Performance Outcome: High Quality Service<sup>1</sup>

Measure	FY 2025 Target	FY 2024 Actual	FY 2024 Target	FY 2023 Actual	FY 2022 Actual	FY 2021 Actual
Single-Piece First-Class Mail Two-Day	87.00	86.44	93.00	90.68	91.34	86.44
Single-Piece First-Class Mail Three-to-Five-Day	80.00	72.61	90.28	83.52	83.62	63.20
Presort First-Class Mail Overnight	94.00	93.30	95.00	94.75	94.92	93.38
Presort First-Class Mail Two-Day	92.00	91.40	95.00	93.68	93.36	88.29
Presort First-Class Mail Three-to-Five-Day	88.00	86.66	93.00	92.10	91.49	80.87
First-Class Mail Letter and Flat Composite (FCLF)	88.00	86.47	92.50	91.43	91.00	82.69
Marketing Mail and Periodicals Composite	94.00	93.53	94.36	94.20	92.86	87.12
Market Dominant Composite <sup>2,3,4</sup>	91.40	90.55	93.08	93.18	92.14	85.30

## Corporate Performance Outcome: Excellent Customer Experience

Measure	FY 2025 Target	FY 2024 Actual	FY 2024 Target	FY 2023 Actual	FY 2022 Actual	FY 2021 Actual
Customer Experience Composite Index <sup>5</sup>	79.41	76.93	78.96	76.93	72.72	68.49
Business Service Network (BSN)	98.00	98.87	98.00	98.87	98.20	97.89
Point of Sale (POS)	87.96	87.10	87.46	87.10	86.34	84.39
Delivery	80.94	75.85	80.94	75.85	73.91	70.41
Customer Care Center (CCC)	85.00	84.52	85.00	84.52	70.75	61.85
Customer 360 (C360)	48.15	42.21	46.00	42.21	38.44	33.34
usps.com	76.95	72.79	78.07	72.79	73.62	67.13
Business Mail Entry Unit (BMEU)	96.00	96.89	96.29	96.89	96.48	95.66

## Corporate Performance Outcome: Safe Workplace and Engaged Workforce

Measure	FY 2025 Target	FY 2024 Actual	FY 2024 Target	FY 2023 Actual	FY 2022 Actual	FY 2021 Actual
Total Accident Rate	13.25	14.14	13.25	13.48	12.39	13.48
Grand Mean Engagement Score <sup>6</sup>	N/A	3.50	3.49	3.47	3.50	3.54
Engagement Score	72	70	N/A	N/A	N/A	N/A
Engagement Survey Response Rate	N/A	19	N/A	17	25	25

## Corporate Performance Outcome: Financial Health<sup>7</sup>

Measure	FY 2025 Target	FY 2024 Actual	FY 2024 Target	FY 2023 Actual	FY 2022 Actual	FY 2021 Actual
Controllable (loss) Income (\$ in billions)	(1.09)	(1.80)	(1.00)	(2.26)	(0.47)	(2.39)

Note: N/A indicates that no target was set and no data was collected for the relevant measure and year.

<sup>1</sup> The Postal Service is providing nonpublic service performance data for certain competitive products as part of the Nonpublic Annex in the Annual Compliance Report (ACR) proceeding conducted by the Postal Regulatory Commission (PRC).

<sup>2</sup> Market Dominant Composite includes all First-Class Mail, Marketing Mail, Periodicals, Flats, Bound Printed Matter Parcels, Marketing Mail, Parcels and Library/Media Mail.

<sup>3</sup> The FY 2021-FY 2024 actual scores are sourced from the Service Performance Measurement (SPM) system.

<sup>4</sup> FY 2021-FY 2024 actuals are provided for comparability purposes only. Market Dominant Composite was introduced in FY 2021.

<sup>5</sup> In FY 2021-FY 2024, the Customer Experience Composite Index is based on survey responses from the following touchpoints: Business Service Network, Point of Sale, Delivery, Customer Care Center, C360, usps.com and Business Mail Entry Units.

<sup>6</sup> In FY 2024, the Postal Service switched to a new vendor and engagement survey. As a result, the engagement scores for FY 2021-FY 2023 and FY 2024 target were recalculated to adjust for comparability purposes.

<sup>7</sup> The FY 2025 Integrated Financial Plan (IFP) information contained in this document will be revised if needed upon approval by the Postal Service Board of Governors.



## High-Quality Service

The Postal Service is committed to “bind the Nation together through the personal, educational, literary, and business correspondence of the people. [We] shall provide prompt, reliable, and efficient services to patrons in all areas and shall render postal services to all communities” (U.S.C. Title 39). This forms the core of Postal Service operations.

The Postal Service operates a highly complex network of distribution and delivery facilities interconnected by multiple modes of transportation across the country. The organization measures service performance at the product level against specific service standards on a continuous basis.

Service Performance Measurement (SPM) is an internal measurement system that measures and reports service performance from the time mail is in the Postal Service’s possession to when a USPS employee delivers it to a home, business, or PO Box.

The annual service performance indicators are reported as a cumulative score throughout the year and are volume weighted. Service performance during the first half of the year — when mail volume is highest — sets the pace for the remainder of the year.

In FY 2024 the Postal Service measured service performance in the following categories:

**Single-Piece First-Class Mail** — The measures for this category represent the performance of single-piece First-Class Mail letters, postcards and flats throughout the fiscal year. The indicators show the estimated percent of total mail by service standard (two-day and three-to-five-day) that was delivered to customers on time.

**Presort First-Class Mail** — The measures for this category represent the performance of commercial presorted First-Class Mail letters, postcards, and flats delivered throughout the fiscal year. The indicators show the estimated percent of total mail by service standard (overnight, two-day and three-to-five-day) that was delivered on time.

**First-Class Mail Letter and Flat (FCLF) Composite** — This category represents the weighted average of the performance of single-piece First-Class Mail and Presort First-Class Mail across all service standards, weighted by volume.

**Marketing Mail and Periodicals Composite** — This category is a composite indicator of the percent of all Marketing Mail and

Periodicals that was delivered within the service standard established during the year. This includes Marketing Mail letters, Marketing Mail flats, and Periodicals. Approximately two-thirds of mail volume in this composite is Marketing Mail letters, while the remainder is Marketing Mail flats and Periodicals.

**Market Dominant Composite** — The Market Dominant Composite includes letters and flats of all First-Class Mail, Marketing Mail, Periodicals, Bound Printed Matter and all parcels of Library Mail, Media Mail and Bound Printed Matter. The score for this category is generated by dividing the total volume (of all classes, shapes and service standards) by the number of pieces delivered on time and is reported as a cumulative year-to-date score.

## FY 2024 Performance Report

The following table includes both FY 2024 Actuals (unmitigated) and FY 2024 Targets for the High-Quality Service measures.

Measure	FY 2024 Actual	FY 2024 Target	Delta (PP <sup>1</sup> )
Single-Piece First-Class Mail Two-Day	86.44	93.00	(6.56)
Single-Piece First-Class Mail Three-to-Five-Day	72.61	90.28	(17.67)
Presort First-Class Mail Overnight	93.30	95.00	(1.70)
Presort First-Class Mail Two-Day	91.40	95.00	(3.60)
Presort First-Class Mail Three-to-Five-Day	86.66	93.00	(6.34)
First-Class Mail Letter and Flat Composite (FCLF)	86.47	92.50	(6.03)
Marketing Mail and Periodicals Composite	93.53	94.36	(0.83)
Market Dominant Composite	90.55	93.08	(2.53)

<sup>1</sup> PP refers to the percentage point difference between FY 2024 Actuals and FY 2024 Targets.

The Postal Service has historically prioritized providing service in line with a rigid set of business rules without due consideration for how to do so in a financially self-sufficient manner. This placed the organization in a dire financial position, with a growing deficit that would have made it impossible to maintain a high quality of service for the foreseeable future. From 2007 to 2020, prior to the implementation of the Delivering for America plan, the Postal Service incurred a total loss of \$87 billion all while not meeting unrealistic service standards in many of those years. At the same time, declining mail volumes and increasing package volumes have put the Postal Service’s aging network of processing facilities out of step with the demands of the nation, increasing the urgency for significant infrastructure upgrades and operational transformation.

The Delivering for America plan charts a course towards a sounder operational and financial footing that makes it possible to achieve long-term success in consistently meeting service targets. Over the last year we have accomplished a great deal. We have achieved cost reductions by optimizing surface transportation routes, moving product from air to surface transportation, reducing processing work hours, and vacating unneeded facilities.

The Postal Service has undertaken significant insourcing activities, including moving previously contracted Surface Transfer Centers (STCs) and Terminal Handling Services (THS) into the Regional Processing and Distribution Centers (RPDC) network, and staffing them with Postal employees. As a whole, these changes are creating a logically sequenced, stable, and fully optimized mail and package system.

Maintaining the momentum at this stage in the plan is critical. The organization is working towards the successful implementation of a long overdue network redesign, bringing the Postal Service network into a model based on operational precision to deliver high-quality service to the American people consistently. As with any other transformation of this magnitude, execution challenges have and will continue to arise, but the Postal Service is committed to addressing issues as appropriate and adapting our processes to ensure that the initiatives are implemented in a successful manner.

In FY 2024, the Postal Service continued implementing the Delivering for America plan to achieve long term goals of providing high quality of service in a financially sustainable manner. The targets for FY 2024 were aggressive, and the Postal Service did not meet its service targets for FY 2024 because of several factors associated with the complex changes required to modernize our processing and transportation across the network, including: the rollout of our processing and transportation changes across the network; the emergency insourcing of STC operations, the effect of environmental disruptions, and the illogical dependencies of various inefficient physical distribution and sampling activities that are included in our service measurement.

**Processing and transportation changes across the network.** The Postal Service continued to implement our future regional processing model, rationalizing and streamlining a processing facility network that has historically been expanded in a piecemeal and disorganized fashion. The new model is anchored around approximately 60 RPDC regions and involves a historic investment in the Postal Service’s people, equipment, and existing buildings. This model facilitates optimization in the regional mail and package flow to capture significant operational and logistics efficiencies and savings. Significant progress has been made in the 15 regions that are transitioning to the new model.

Certain RPDC regions will serve as Regional Transfer Hubs (RTHs), collecting inbound parcels and mail from around the network and transferring this volume to plants within their respective regions through high volume, dedicated sort

plans. This strategy continues to build on the Postal Service's refined surface transportation plan to have fuller trucks and containers, simpler originating processing with earlier originating dispatching, and smoother arrival profiles for destinating plants. Nine RTHs were established in FY 2024.

Activating RPDC regions involves shifting to new operating plans, redistributing processing volumes across multiple machines and facilities, launching new transportation routes, often reassigning employees to different buildings in the region, and insourcing previously contracted operations. These changes are critical for the Postal Service to work towards long-term success, but in FY 2024, select implementations impacted service performance.

The Postal Service also piloted Local Transportation Optimization (LTO) across regions to address fundamental flaws in the set-up of the local transportation network. This allows the Postal Service to improve the efficiency of transportation in specific geographies, avoid redundant trips, and reduce its carbon footprint. This initiative has no impact on retail operations or Post Office hours. In some regions, this initiative involves transitioning to a USPS-employee based fleet.

The Postal Service recently submitted a request for an advisory opinion from the Postal Regulatory Commission regarding the RPDC/LPC network changes and Regional Transportation Optimization (which evolved from LTO). In addition to the proposed operational changes, the Request includes proposed changes to our service standards to align with these operational initiatives.

These improvements will allow the Postal Service to drive service excellence throughout our network once fully implemented, but there were some unanticipated speed bumps in FY 2024 that negatively impacted service performance.

**STC insourcing.** The Postal Service insourced eight locations immediately prior and during the FY 2024 peak season, which involved adding approximately 1,000 new staff and changing transportation schedules for thousands of trips. Contractor bankruptcy drove the Postal Service to insource six of these locations when we had only immediately scheduled for two, straining our resources further than anticipated. These STC functions were completed with ad hoc facility layouts, equipment, and processes. Consequently, First-Class Mail service performance was negatively impacted in particular due to the increased need for Postal Service coordination to move mail through multiple facilities.

**Environmental disruptions.** Given the complexity and scale of the Postal Service's operations across the United States, impacts to service due to severe weather are unavoidable. The Postal Service does not adjust externalities out of our market dominant service scores. The Postal Service negotiated weather-related challenges such as Hurricane Beryl in FY 2024, which led to road closures and power

outages at processing facilities. We paused operations as necessary until these challenges were mitigated, then continued delivering mail when possible for our employees to safely do so.

**Aggregate impact on service performance.** In FY 2024, Single-Piece First-Class Mail Two-Day and Single-Piece First-Class Mail Three-to-Five Day scores fell short of targets by 6.56 and 17.67 percentage points respectively. Presort First-Class Mail Overnight, Presort First-Class Mail Two-Day, and Presort First-Class Mail Three-to-Five Day fell short of targets by 1.70, 3.60, and 6.34 percentage points respectively. Insourcing STCs, for instance, was one of the contributing factors to the First-Class Mail service performance decline. The operational change of running new operating plans in tandem with changes to the transportation system was one of the factors that contributed to this performance. Service performance for Marketing Mail and Periodicals Composite was 93.53 percent. This was 0.83 percentage points below the target, but underscores the Postal Service's ongoing commitment to reliably serve customers nationwide.

The Postal Service continues to refine operations across the network to improve service performance and is working aggressively to address the temporary impacts and progress towards the future state to ensure the successful rollout of the Delivering for America plan. The new processing infrastructure and operational efficiencies from the plan will create a more resilient, reliable, and sustainable Postal Service in the long-run despite the current, temporary impact to service performance as implementation continues.

*Reference the FY 2024–FY 2025 Targets and FY 2021–FY 2024 Actuals for Corporate-wide Performance Outcomes table on page 39 for historical performance.*

## FY 2025 Performance Plan

The following table states the FY 2025 targets.

Measure	FY 2025 Target
Single-Piece First-Class Mail Two-Day	87.00
Single-Piece First-Class Mail Three-to-Five-Day	80.00
Market Dominant Composite	91.40
First-Class Mail Letter and Flat Composite (FCLF)	88.00
Presort First-Class Mail Overnight	94.00
Presort First-Class Mail Two-Day	92.00
Presort First-Class Mail Three-to-Five-Day	88.00
Marketing Mail and Periodicals Composite	94.00

*Note: Pursuant to sec. 210(c) of the PSRA, the Postal Service has developed a publicly available, interactive "Performance Dashboard," providing information on Market Dominant products that is updated on a weekly basis.*

The Postal Service has a clear vision and path to long term success as outlined in Delivering for America 2.0 — Fulfilling the Promise and will continue to follow that path with the FY 2025 Service Performance Plan which includes:

- Continuing to execute changes to processing and transportation across the network.
- Remediating temporary disruptions to operations.
- Proposing better alignment of service standards to operations.
- Preparing for the peak season.
- Investing in its infrastructure.
- Stabilizing and empowering our workforce.

**Continuing to execute changes to processing and transportation across the network.** In pursuit of greater operational efficiency and long-term financial sustainability, the Postal Service will continue our rollout of a redesigned, well-integrated, and logically sequenced network by activating more RPDCs, LPCs, and S&DCs in FY 2025. The Postal Service will continue redesigning our transportation operations to eliminate waste and efficiently integrate with network operations. The Postal Service is developing and deploying standard work instructions that are designed to support operational excellence.

**Remediating temporary disruptions to operations.** The Postal Service continues to prioritize operational excellence across several functions. To reinforce performance improvement, the Postal Service created the Performance Excellence Team. Tasked with improving enterprise-wide operating performance, this team troubleshoots and addresses systemic issues in our network and across the Postal footprint to promote the productivity and optimization efforts outlined in the Delivering for America plan. This team's efforts drive performance improvements at processing facilities and reinforces our commitment to excellence and sustainable success for years to come.

**Proposing better alignment of service standards to operations.** The Postal Service is proposing a revision of its service standards for end-to-end products. The existing standards and network are not in line with the growing parcel business, expanding delivery points, and declining mail volume. These legacy standards were built on an outdated, redundant, and illogical facility network that has led to significant transportation costs, driving the Postal Service toward economically unsustainable processing practices. The proposed standards would enable operational cost transformation towards a logical plant network configuration that rationalizes the transportation network to reduce costs and increase efficiency.

**Preparing for the peak season.** The work done over the previous three years has set the Postal Service up for peak success. The Postal Service will continue to utilize the facilities and processing capabilities brought on in the last three years, which have positioned the Postal Service to prepare for peak without the need for huge numbers of temporary annexes or employees.

Additional processing capacity will be activated in advance of the FY 2025 peak season as part of the execution of the Delivering for America plan. We will expand the network's package processing and cross-docking capabilities, concentrate volume for efficient intraregional transportation, and maximize processing plant throughput.

**Investing in our infrastructure.** Providing high quality service requires the organization have the automation, IT systems, equipment, and processes in place to drive high performance. In support of the network redesign, the Postal Service will continue to make significant capital investments in FY 2025. These investments include additional automated package sorting equipment to newly formed S&DCs and the continued expansion of new vehicles, including the Postal Service Battery Electric Vehicle (BEV) fleet and the accompanying necessary charging infrastructure.

The Postal Service has signed contracts to invest over \$17 billion to date, with plans to commit more than \$40 billion in total over the length of the Delivering for America plan. Our largest investment dedicated \$7 billion towards modernizing the delivery vehicle fleet, including the acquisition of over 100,000 new vehicles. An additional \$4.6 billion has been allocated to modernizing processing facilities, while \$2.2 billion has gone towards operational technology and support. Technology modernization to upgrade software systems received \$1.7 billion, and \$1.4 billion was directed toward expanding package capacity. \$300 million was directed to retail and delivery network redesign.

**Stabilizing and empowering our workforce.** The Postal Service recognizes our employees as our greatest asset. To support them, the Postal Service has invested in employee recruitment, retention, and skill development, while promoting clear career paths and diversity. In collaboration with the American Postal Workers' Union, the Postal Service has established a Postal Vehicle Operator class, ensuring cost controls despite fluctuations in national contractor rates and better preparing the organization for driver shortages and provide us more flexibility within our supply chain. With this strategy, we will be able to insource more of our local mail and package transportation operations using our Postal Vehicle Operators to provide transportation for local routes that were previously contracted. As laid out in the Delivering for America 2.0 — Fulfilling the Promise plan, we will continue to scale the Postal Vehicle Service program to insource transportation activities, creating economic and labor stability in local transportation.

Combined, these efforts will allow for more efficient processing, transportation, and delivery of the mail to improve overall service performance.

*Reference the FY 2024–FY 2025 Targets and FY 2021–FY 2024 Actuals for Corporate-wide Performance Outcomes table on page 39 for historical performance.*

# Excellent Customer Experience

Excellent customer experience is foundational to the Postal Service’s success. To evaluate our customer’s satisfaction with the services we provide, customers are surveyed at every primary interaction point. We refer to these interactions as “touchpoints.” The Customer Experience (CX) Composite Index provides a comprehensive view of the customer’s experience across the most frequently used customer-facing channels. The CX Composite Index is comprised of seven component surveys: Customer Care Center (CCC), Business Service Network (BSN), *usps.com*, Bulk Mail Entry Unit (BMEU), Point of Sale (POS), Delivery, and Customer 360 (C360). These surveys are defined below.

To calculate the FY 2024 CX Composite Index score, we multiply each customer touchpoint’s raw overall satisfaction score by its respective weighting and sum the total. This total represents the CX Composite Index score for the year. The following describes each of the seven components of the CX Composite Index:

**Customer Care Center (CCC) survey.** The CCC survey measures customer satisfaction for customers who called the customer care center. The national weighting of the CCC score used to calculate the CX Composite Index is 15 percent.

**Business Service Network (BSN) survey.** The BSN provides nationwide support to qualified business customers on service issues, information, and requests. The BSN survey measures businesses’ satisfaction with the overall experience provided by the BSN. The national weighting of the BSN score used to calculate the CX Composite Index is 10 percent.

***usps.com* survey.** The *usps.com* survey measures customer satisfaction with the USPS website. The national weighting of the *usps.com* score used to calculate the CX Composite Index is 5 percent.

**Business Mail Entry Unit (BMEU) survey.** The BMEU survey measures business customers’ overall satisfaction with their experience at the BMEU. The national weighting of the BMEU score used to calculate the CX Composite Index is 10 percent.

**Point of Sale (POS) survey.** The POS survey measures customers’ overall satisfaction with their experiences at retail locations. The national weighting of the POS score used to calculate the CX Composite Index is 20 percent.

**Delivery survey.** The Delivery survey measures the overall satisfaction of residential and small/medium business customers’ delivery experience, including both street addresses and PO Box deliveries. The national weighting of the Delivery score used to calculate the CX Composite Index is 20 percent.

**Customer 360 (C360) survey.** The C360 survey measures satisfaction with issue resolution for customers who file service requests with the Postal Service. The national

weighting of the C360 score used to calculate the CX Composite Index is 20 percent.

In FY 2024, we utilized a research-based approach to review and refresh the CX Composite Surveys based on insights from industry leading practices and the evolving needs of key USPS stakeholders, including customers. The changes to the CX Composite surveys launched on October 1, 2023, where the response scales for all survey questions were adjusted from a 6- point scale to a 5-point scale, combining the previous two neutral options of “somewhat dissatisfied” and “somewhat satisfied” with a single “neutral” response option, and shifted the response option scale to an ascending order from most negative to most positive.

However, there were no methodology changes in FY 2024 that affected the measurement of key metrics in the CX Composite. The Overall Satisfaction (OSAT) metric for each CX survey remains comparable to past years because no changes have been made to the calculation’s methodology – the percent of respondents who choose the top-two most positive response options, divided by the total number of respondents. Therefore, all FY 2024 Customer Experience Index scores are comparable to FY 2023.

## FY 2024 Performance Report

The following table includes both FY 2024 Actuals and FY 2024 Targets for the Excellent Customer Experience metrics.

Metric	FY 2024 Actual (%)	FY 2024 Target (%)	Delta (PP) <sup>1</sup>
CX Composite Index	76.93	78.96	(2.03)
BSN	98.87	98.00	0.87
POS	87.10	87.46	(0.36)
Delivery	75.85	80.94	(5.09)
CCC	84.52	85.00	(0.48)
C360	42.21	46.00	(3.79)
<i>usps.com</i>	72.79	78.07	(5.28)
BMEU	96.89	96.29	0.60

<sup>1</sup> PP refers to the percentage point difference between FY 2024 Actuals and FY 2024 Targets.

In FY 2024, we improved our overall CX Composite Index score to 77.80 percent from the previous year’s 76.93 percent. Despite improvements in four of the CX touchpoints from their FY 2023 scores, the FY 2024 CX Composite target of 78.96 percent was not met due to four component surveys missing their respective targets: BSN, *usps.com*, BMEU, and Delivery.

Three CX touchpoints showed especially strong improvements in their FY 2024 scores compared to FY 2023. *usps.com* improved its OSAT score by 2.74 percentage points, POS improved its OSAT score by 0.92 percentage



points, and C360 improved its OSAT score by 3.84 percentage points. This is the third consecutive year that POS and C360 have shown continued improvement in their OSAT scores.

The following sections address FY 2024 actual scores, FY 2024 targets, accomplishments achieved throughout the year, and other related information for each CX touchpoint metric.

**CCC Survey.** In FY 2024, we achieved a score of 85.39 percent, an improvement of 0.87 percentage points compared to the FY 2023 score of 84.52 percent and exceeding our FY 2024 target of 85.00 percent by 0.39 percentage points. This is the sixth consecutive year the CCC has improved its OSAT score. To achieve this, we continued implementing initiatives to target customer experience improvements via the Interactive Voice Response (IVR) system and CCC agent coaching.

The Postal Service continued to make improvements to the IVR, which allows customers to enter data on their smart phones to help increase accuracy for data elements such as tracking numbers, address, and names. Specifically, we improved the messaging to customers via the “Hours and Location” and “ZIP code” call types, which were previously only provided by an agent. These improvements increased

the “Hours and Locations” call type OSAT by 8 percent and the “ZIP code” call type OSAT by 20 percent compared to FY 2023, improving the overall CCC OSAT by approximately 0.6 percent. Additionally, enhancements were made to the Tracking Number lookup functionality for international packages, whereby customers are now required to enter only the numeric portion of alpha-numeric tracking numbers. This improvement has decreased customer effort and led to an increase in the CCC OSAT by approximately 1.2 percent.

In FY 2024 we continued to review and update training content and materials, such as the Change of Address process, the handling processes for International Tracking, and the New Agent Foundation for newly onboarded individuals, to provide our Customer Care Center agents with the skillsets and knowledge necessary to successfully support our customers. We also leveraged existing off the shelf content within our enterprise learning system that focused on engaging with customers and best-in-class customer service behaviors. This continued focus on coaching and training of CCC agents led to high levels of service to our customers throughout the year.

**BSN survey.** In FY 2024, we achieved a score of 97.77 percent, a decrease of 1.10 percentage points compared to the FY 2023 score of 98.87 percent, and below our FY 2024 target of 98.00 percent by 0.23 percentage points.

While BSN OSAT Score fell short of the FY 2024 target by 0.23 percentage points, the score steadily improved throughout FY 2024. This steady improvement in Overall Satisfaction was related to a consistent emphasis on successful Service Request resolution, training, and job aids that the Business Customer Support & Service (BCSS) Team created for BSN Representatives and Specialists.

We anticipate these initiatives will continue to have a positive impact on BSN OSAT throughout FY 2025.

In FY 2024, the Headquarters Business Customer Support & Service (BCSS) team initiated resolution templates into our Customer Relationship Management system to improve consistency of customer resolutions and conducted specific BSN training sessions. These sessions addressed the standard work process for service request resolution, including acknowledgement of the service issue with the customer, understanding the ask, investigative techniques, tools, updates on progress to the customer, and resolution methods to improve customer satisfaction.

**usps.com survey.** In FY 2024 we achieved a score of 75.53 percent, an improvement of 2.74 percentage points compared to the FY 2023 score of 72.79 percent, and below our FY 2024 target of 78.07 percent by 2.54 percentage points.

Throughout FY 2024, customers shared pain points of their *usps.com* experience through their survey responses.

Advancements in our analytics capabilities have allowed USPS to identify specific opportunities to improve the customer experience and identify the stakeholders responsible for making the improvements. While the *usps.com* OSAT score fell short of the FY 2024 target, USPS will continue to leverage this information to work towards increasing scores and close the gap between actual performance and the established target in FY 2025.

The Postal Service is leveraging data derived from in-depth analyses of user navigation experience to support the team's mission to provide the optimal user experience for our customers.

The Postal Service has continued to prioritize making enhancements to the customer experience online. This includes using analytics data related to customer behavior on the website to inform updates and gathering recommendations for improvements to the user interface. One application that was updated in FY 2024 was PO Locator. A full redesign was executed to improve the navigation and usability of the application.

**BMEU survey.** In FY 2024, we achieved a score of 95.21 percent, a decrease of 1.68 percentage points compared to the FY 2023 score of 96.89 percent, and below our FY 2024 target of 96.29 percent by 1.08 percentage points.

While BMEU OSAT Score fell short of the FY 2024 target, the score steadily improved throughout FY 2024. This steady improvement in Overall Satisfaction was related to the new and enhanced BMEU training program and the eDoc Adoption Strike teams, which we anticipate will continue to have a positive impact on OSAT throughout FY 2025.

Recent enhancements for the BMEU include updates to employee customer support trainings, including the use of customer facing tools and applications. We also worked to get a national average of 99.9 percent eDoc Adoption rate which works to save employee time in processing postage statements by creating electronic versions and while increasing customer satisfaction.

We are leveraging new and emerging technologies and mediums to design a new training program for employees which will lead to a better customer experience for our customers. The new training content and materials will be designed to provide employees with accessible, clear, engaging, and real-time information as they serve our customers. In order to better support Periodical customers, we created a Periodicals Strike team across all of our districts to provide information to our employees on the product offering and requirements including Statement of Ownership, Basic Eligibility Standards, PS Form 3510 and Reentry, Exceptional Dispatch, Account Creation and Pending Periodicals Conversion, and Overnight Periodicals. We were successful in reducing the number of customer accounts with outstanding, not filed Statements of Ownership for 2022 and prior years from 7,928 to 315, a 96 percent reduction.

The Statement of Ownership effort was key in reducing the amount of time spent by BMEU employees researching Periodicals, specifically where we had multiple Original Entries for the same Periodical. By consolidating and correcting these, we effectively reduced the manhours spent for this effort. We also identified hundreds of duplicate accounts which were reduced to 30 unique accounts.

**POS survey.** In FY 2024, we achieved a score of 88.01 percent, an improvement of 0.91 percentage points compared to the FY 2023 score of 87.10 percent and exceeded our FY 2024 target of 87.46 percent by 0.55 percentage points. This is the third consecutive year POS has improved its OSAT score.

In FY 2024, the Postal Service implemented a Customer Display Unit-Quick Retail Survey (CDU-QRS). This effort enabled our customers to provide instant feedback that served as an informative tool for improvement opportunities and recognizing excellent customer service. The CDU-QRS pilot sites received 1,575,491 customer visits, with 749,959 customers responding to the survey. The overall customer satisfaction for the CDU-QRS, through August 30, 2024, was 99.05 percent.

In FY 2024, the Retail Experience Team engaged on many compliance efforts, while adhering to regulatory requirements, including using a new vendor for the Retail Customer Experience (RCE) program to identify and resolve any detrimental customer satisfaction conditions and enable a frictionless, best-in-class customer experience.

Additionally, we are providing daily retail customer experience reporting and weekly customer experience point of sale transactional data to inform leadership of trends and insights. To identify opportunities for improving the retail experience, we developed and implemented two new dashboards summarizing wait time in line (WTIL) queues. We anticipate the insights gleaned from these dashboards will enable us to reduce the average wait time in line for our customers.

**Delivery survey.** In FY 2024, we achieved a score of 75.26 percent, a decrease of 0.59 percentage points compared to the FY 2023 score of 75.85 percent and below our FY 2024 target of 80.94 percent by 5.68 percentage points. While Delivery OSAT fell slightly short of the FY 2024 target, historically, Delivery has achieved a 99 percent on-time delivery between an Arrival At Unit (AAU) to the Acceptable Delivered Event (ADE). In FY 2024, we made updates to our network as part of the Delivering for America plan and experienced growing pains as expected during updates. We anticipate that continuing improvements to our delivery experience in the coming years will improve the overall experience for our customers.

Throughout FY 2024, Delivery operations continued to improve the customer experience by leveraging available technology and deploying more than 25,000 new vehicles, included the debut of the Next Generation Delivery Vehicles (NGDVs) and commercial-off-the-shelf (COTS) left-hand-drive (LHD) battery electric vehicles (BEVs), leading to greater consistency for delivery operations. We installed more than 100,000 additional telematics devices in vehicles, achieving more than 200,000 total vehicles equipped with telematics which will continue to improve the operational reliability of our vehicles. Additionally, we leveraged available technology, including handheld scanning devices, to increase efficiency by identifying optimal lines of travel and placing customer deliveries in the most efficient delivery sequence.

In tandem with leveraging technology, we are implementing strategies to increase employee retention such as increasing rural carrier annuitants and limiting work hours for newly hired employees. We are continuing the national expansion of rural route optimization efforts to increase route efficiency, reduce costs, and reduce mileage.

**C360 survey.** In FY 2024, we achieved a score of 46.29 percent, an improvement of 4.08 percentage points compared to the FY 2023 score of 42.21 percent and exceeded our FY 2024 target of 46.00 percent by 0.29 percentage points. This is the third consecutive year C360 has improved its OSAT score.

During FY 2024, we implemented enhancements including training for C360 users, dashboards summarizing operational statuses, and automation for inquiry routing and resolution.

Requiring C360 user training and our refined communication strategy around system enhancements both yielded positive results. Our internal survey of users shows 72.64 percent of them are satisfied or very satisfied with their knowledge of using the C360 platform which is a significant increase from 58.27 percent in Quarter 4 of FY 2023. To combat inconsistency with the validation of training completion, we implemented a new process requiring users to complete self-certification training before receiving access to C360. The Postal Service closely monitors users' familiarity with C360, leveraging weekly reports to assess training completion statuses and instituting annual refresher training to continue providing an improved customer experience.

We enhanced our internal survey of C360 users in FY 2024 with by introducing a new, specific question each quarter to gauge user knowledge on recent updates to the platform. This targeted question sought to inform leadership of the effectiveness of existing communication channels, and in FY 2024 between the Quarter 1 score and the Quarter 4 score we saw an increase of 2.13 percentage points.

Additionally, we implemented new dashboards and alerts to segment and proactively display high impact operational areas and facilities, such as Sorting & Delivery Centers or Consumer Affairs Offices, and provide advanced notice regarding operational discrepancies to enable quick resolution of root causes and improve the customer experience. We also leveraged MicroStrategy tools to create new Alert reporting to notify management when a facility or district exceeds their own 30-day average volume of complaints, enabling leadership to proactively identify "hot spots" and triage the issue with Operations, ultimately reducing the number of cases.

Lastly, we continued reviewing and updating case routing and the use of automation to redirect and resolve customer inquiries and issues at Area offices, allowing local management to focus on serving their customers. For packages, we have implemented automation to close inquiries cases when the system status is "delivered" while allowing customers to submit related responses.

*Reference the FY 2024–FY 2025 Targets and FY 2021–FY 2024 Actuals for Corporate-wide Performance Outcomes table on page 39 for historical performance.*



## FY 2025 Performance Plan

The following table includes the FY 2025 Targets for the Excellent Customer Experience metrics.

Measure	FY 2025 Target (%)
CX Composite Index	79.41
BSN	98.00
POS	87.96
Delivery	80.94
CCC	85.00
C360	48.15
usps.com	76.95
BMEU	96.00

In FY 2025, delivering excellent customer experiences across multiple channels will continue to be a priority for the Postal Service. This includes improving the way we engage with customers, making it easier for our employees to deliver excellent customer service, enhancing how we measure customer experiences in a timely manner, and providing a consistent customer experience across all channels.

The Postal Service will continue to improve the measurement of customer experience by ensuring questions accurately measure both customer sentiment and attributes of customer satisfaction across the CX surveys. Furthermore, we plan to influence change across all USPS customer-facing channels in FY 2025.

The Postal Service will empower its workforce to prevent undesirable customer experiences by providing actionable data to help them resolve customer pain points and improve customers' experience.

*Reference the FY 2024–FY 2025 Targets and FY 2021–FY 2024 Actuals for Corporate-wide Performance Outcomes table on page 39 for historical performance.*

# Safe Workplace and Engaged Workforce

## Employee Safety

Employee safety is a foundational element of occupational safety and health-related activities at the United States Postal Service. As one of the nation’s largest employers with thousands of employees working in diverse roles, maintaining safety as a top priority ensures a secure and productive environment.

The organization has adopted safety initiatives that are crucial not only for preventing workplace injuries and occupational diseases but also for fostering a culture of well-being among our workforce. The Postal Service has implemented a robust platform of safety protocols, demonstrating its commitment to protecting its workforce by creating an effective and improved safety program.

Risk assessment and risk management are crucial for preventing and controlling risks to safety and health in the workplace. This includes accounting for all relevant risks, determining the effectiveness of safety measures, and regularly documenting and reviewing outcomes to identify opportunities for improvement.

The Postal Service’s safety performance is measured by a total accident rate. The formula for calculating the total accident rate is the number of recorded accidents in the year multiplied by 200,000 (calculated by the annual average 2,000 work hours per employee multiplied by 100 to standardize accident rates). This number is then divided by the annual number of exposure hours.

The total accident rate formula is:

Total Number of Accidents x 200,000

Exposure Hours

This rate uses the same calculation developed by the Occupational Safety and Health Administration (OSHA) for its Illness and Injury (I&I) rates metric, which has been expanded to include accidents that do not result in medical expenses, days away from work, or restrictions from performing full duty. Using the total accident rate is a best practice that enables the Postal Service to design targeted prevention strategies, thereby decreasing accidents and reducing the impact on employees and the organization.

## FY 2024 Performance Report

In FY 2024, the total accident rate was 14.14, which is above the target of 13.25. The following table includes both the FY 2024 Actual and FY 2024 Target for the Total Accident Rate.

Measure	FY 2024 Actual	FY 2024 Target	Delta
Total Accident Rate	14.14	13.25	0.89

A significant factor in the Postal Service not meeting our FY 2024 target was an increase in motor vehicle accidents during FY 2024. This increase is attributed to the Postal Service’s network redesign efforts, which included insourcing transportation operations and increasing our ground logistics footprint. These efforts increased the number of employees utilizing motor vehicles as part of their job, increased the amount of vehicles utilized, which led to an increased potential for accidents to occur. As we work towards improving our transportation network, the Postal Service is focused on providing the tools and knowledge necessary to equip and educate employees regarding best practices for working safely.

In FY 2024 training programs and standard guidance procedures were developed and implemented in alignment with industry best practices to reduce Motor Vehicle Accidents within our Logistics operations. Improvements to the training and guidance focused on improving driving skills (e.g., backing, maneuvering, defensive techniques) in order to reduce the likelihood of large truck motor vehicle accidents.

Recent enhancements have been implemented to the Safety and Health Management Tool (SHMT) including the introduction of advanced filters. These upgrades make it easier for each operational unit to quickly and efficiently locate the data they need, thereby streamlining processes and enhancing overall productivity for the Postal Service. We began leveraging the SMHT to provide leadership and individual units weekly updates through standardized reports to more effectively identify trends and assess progress towards goals.

The following table shows accidents by “type” in FY 2024 and FY 2023 as documented in our accident reporting tool:

Measure	FY 2024	FY 2023	Percent Change (%)
OSHA I&I	30,891	31,479	(1.87)
Non-Recordable	47,370	44,330	6.86
Motor Vehicle <sup>1</sup>	31,845	29,698	7.23
Total	78,261	75,809	3.23

<sup>1</sup> Motor Vehicle Accidents are included in both the OSHA I&I and non-recordable accident

## FY 2025 Performance Plan

The FY 2025 Target for the Total Accident Rate is 13.25. The Postal Service will continue to enhance its performance by identifying safety and prevention efforts aimed at achieving target goals. These efforts will be focused on recognizing and addressing hazards and unsafe behaviors, concentrating on the most frequently encountered workplace hazards (such as safe driving, slip, trip, and fall injuries). Additionally, these efforts will specifically target at-risk groups to effectively prevent accidents and injuries.

The following table states the FY 2025 Target.

Measure	FY 2025 Target
Total Accident Rate	13.25

In support of the Delivering for America plan, the Postal Service will continue to promote and foster safety as a core value throughout the organization. Specifically, the Postal Service will consider the safety of its employees in all aspects of the organization, such as new facilities, new equipment, new vehicles, and modified work practices.

Additionally, the Postal Service will continue to enhance the OSHA Scorecard and the SHMT to meet the needs of their operational partners to provide increased visibility into accident and injury prevention opportunities.

Human Resources will continue to monitor, track, and act on more serious accidents involving the need for medical care, days away from work, and restricted duty as part of the continued effort for the National Performance Assessment (NPA) process started in FY 2024. With this focus, the Postal Service can proactively address severe injuries and reduce expenses related to workers’ compensation claims.

The United States Postal Service will continue to empower its employees to become more engaged in their own safety through identification, recording, and reporting of safety concerns in real time. Ultimately, this will provide timely communication and create a safer, healthier, and an informative environment in the workplace.

Employee Engagement

The Postal Service aims to engage employees so that teams, individuals, and leaders thrive and perform at high levels. Research shows that higher levels of employee engagement correlate to healthier work environments, more successful teams, and positive business outcomes for organizations.

To measure the level of engagement at the Postal Service, the organization administers the Postal Pulse Survey to all employees annually. The Postal Pulse Survey results include the engagement score and survey response rate. The engagement score assesses overall engagement levels of respondents, and the response rate shows the level of survey participation among the entire employee population.

FY 2024 Performance Report

In FY 2024, we re-competed our employee survey contract and selected a new vendor to administer the Postal Pulse Survey which was administered to employees from August 6, 2024, through September 13, 2024. As several of the survey questions were proprietary to the previous vendor, our newly administered survey includes different questions from prior years. The new survey is comprised of 26 questions, including six questions that align to the prior version.

To ensure comparability with past years’ results, the FY 2024 Grand Mean Score target was recalculated to account for only the six questions that correlate between the two surveys, resulting in a revised FY 2024 target Grand Mean Engagement Score of 3.49.

The following tables provide the six questions that correlate between the two surveys, and the grand mean engagement score over the last three years based on these six questions.

FY 2023 Survey Question	FY 2024 Survey Question
I know what is expected of me at work.	I know what is expected of me at work.
I have the materials and equipment I need to do my work right.	I have the resources to do my job effectively.
At work, I have the opportunity to do what I do best every day.	My job makes good use of my skills and abilities.
At work, my opinions seem to count.	My opinions matter.
My fellow employees are committed to doing quality work.	My team is committed to doing high quality work.
This last year, I have had the opportunity to learn and grow.	I am given opportunities to grow and develop in my current role.

Grand Mean Engagement Score Calculation	FY 2021	FY 2022	FY 2023	FY 2024	Percent Change (%)
Q06 Actual (new)	3.54	3.50	3.47	3.50	(1.87)
Q12 Actual (original)	3.36	3.31	3.29	N/A	6.86

Averaging these six questions, the FY 2024 grand mean engagement score is 3.50, which exceeds the FY 2024 target of 3.49. In addition, the survey response rate was 19 percent, which is higher than the FY 2023 survey response rate of 17 percent.

The following table shows the revised FY 2024 actual and target grand mean scores.

Measure	FY 2024 Actual	FY 2024 Target	Delta
Grand Mean Engagement Score	3.50	3.49	0.01

Reference the FY 2024–FY 2025 Targets and FY 2021–FY 2024 Actuals for Corporate-wide Performance Outcomes table on page 39 for historical performance.

FY 2025 Performance Plan

In FY 2025, we will measure engagement by calculating the average percent agreement for the following four questions. Together, these four questions measure an employee’s pride in the company, intrinsic motivation, intent to stay, and their overall employee experience. According to research conducted by our new survey vendor, this score has been

found to predict work performance, retention, and other key organizational outcomes.

#	Survey Question	Explanation
1	I am proud to work at the Postal Service.	Pride in Company: Linked to external brand and reputation
2	I intend to stay with the Postal Service for at least the next 12 months.	Intent to Stay: Best predictor of retention.
3	I would recommend the Postal Service as a great place to work.	Referral Behavior: Overall measure of employee experience.
4	My work gives me a sense of personal accomplishment	Intrinsic Motivation: Predictor of high performance and the application of discretionary effort.

The average percent agreement for these four questions on the FY 2024 survey is 70 percent. The FY 2025 metric target will be an average percent agreement score of 72 percent, an increase of 2 percent. The following table states the FY 2024 actual and the new FY 2025 target.

Measure	FY 2024 Actual (%)	FY 2025 Target (%)
Engagement Score (% Agreement)	70	72

In FY 2025, we will continue to build on the initiatives we are executing to achieve the goals of Delivering for America, as discussed in the Delivering for America 2.0 — Fulfilling the Promise plan. These initiatives include aggressively recruiting both internally and externally to fill critical positions such as our pre-career and frontline supervisor positions, leveraging virtual career fairs, in-person career conferences, and social media channels to inform employees and potential applicants of available positions. We will continue to improve the employee onboarding experience by standardizing the onboarding process. And we will continue to improve the employee experience by ensuring new and current supervisors receive training, equipment, and support needed to be successful in their jobs and to create an engaging workplace for their employees. In addition, with the introduction of the new survey we will increase education for all levels of management on how to interpret survey scores and leverage the insights to improve the work environment. As part of the new survey, a new dashboard will show managers which actions are most likely to drive engagement within their unit (i.e. engagement drivers), which will enable them to develop more effective action plans to maximize employee engagement for their unit. We will provide instruction and support to management on how to leverage the data to develop action plans based on the survey results provided on the dashboard.

*Reference the FY 2024–FY 2025 Targets and FY 2021–FY 2024 Actuals for Corporate-wide Performance Outcomes table on page 39 for historical performance.*



# Financial Health

As a self-funded organization, we generally receive no tax dollars for our operating expenses and rely on the sale of postage, products, and services to fund our operations. We continue to face long-term systemic challenges to our business model, including declines in mail volume and growth in legacy pension costs.

In recent years, we have made great strides in creating a more efficient, customer-oriented, and operationally focused organization. Nonetheless, it takes time to realize the impacts of these changes and our organization continues to face financial challenges, including a high liability to asset ratio and a projected net loss for FY 2025 of \$6.9 billion. Inflation continues to impact the prices of goods and services such as transportation, cost of living adjustments, and our Federal Employees Retirement System (FERS) and Civil Service Retirement System (CSRS) amortization expenses.

Our Delivering for America plan included a correction of decades of overpayment of CSRS benefits by USPS; according to modern actuarial standards, a far greater share of these benefits should have been paid by the U.S. Treasury. This correction could be accomplished through legislative action. This reform would eliminate CSRS amortization expenses entirely; in FY 2024 the expense was \$3.2 billion, and the FY 2025 projected expense will be \$3.4 billion.

## Controllable Income (Loss)

Our financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP). Controllable income (loss) is a non-GAAP measure defined as total revenue less controllable expenses. Controllable expenses are divided into several categories: salaries and benefits, FERS normal cost, transportation, depreciation, supplies and services, and rent, utilities, and other. Projections of controllable income (loss) are based on planned revenues and expenditures for every program activity included in our Integrated Financial Plan (IFP). Controllable income (loss) should not be considered a substitute for net income (loss) and other GAAP reporting measures.

The Postal Service uses controllable income (loss), rather than net income (loss), as our principal indicator to assess our financial performance, as net income includes the effects of factors (such as interest rate changes) that cannot be controlled or influenced by management.

## Non-Controllable Expenses

Those expenses excluded from controllable income (loss) are non-controllable expenses, which are not reflective of short-term operational decisions and are subject to large fluctuations outside the organization's control.

Non-controllable expenses include the amortization of unfunded liabilities for our participation in FERS and CSRS and non-cash expenses related to changes in the liability for participation in the federal workers' compensation program. These items are excluded from the calculation of controllable income (loss).

Fluctuations in non-controllable expenses are caused by changes in inflation, interest rates, and actuarial assumptions. We can only marginally influence these expenses over the long term by changing the number of employees or compensation rates, but this effect is small and gradual compared to the effect of external factors. For example, a one percent increase in the discount rate would cause a decrease in the September 30, 2024, workers' compensation liability and related expense by approximately \$1.4 billion. Similarly, a one percent decrease in the discount rate would cause an increase in the September 30, 2024, workers' compensation liability and related expense by approximately \$1.7 billion.

The following table includes revenue, controllable income (loss), and net income (loss) and shows planned revenues and expenses by category for FY 2025 and FY 2024, as well as actual data for FY 2021 through FY 2024.

## Revenue and Expenses

<i>(in billions, unaudited<sup>1</sup>)</i>	FY 2025 Plan (IFP)	FY 2024 Actual	FY 2024 Actual vs FY 2024 Plan	FY 2024 Plan (IFP)	FY 2023 Actual	FY 2022 Actual	FY 2021 Actual
First-Class Mail	\$25.8	\$25.4	\$0.4	\$25.0	\$24.5	\$24.0	\$23.3
Marketing Mail	15.4	15.4	0.8	14.6	15.1	16.0	14.6
Shipping and Packages	34.6	32.3	(1.4)	33.7	31.6	31.3	32.0
International	1.4	1.4	(0.1)	1.5	1.6	1.7	2.2
Periodicals	0.9	0.9	0.0	0.9	0.9	1.0	1.0
Other <sup>2</sup>	4.8	5.1	(0.9)	6.0	5.6	4.8	4.0
Total Revenue	\$82.9	\$80.5	\$(1.2)	\$81.7	\$79.3	\$78.8	\$77.1
Salaries and Benefits	57.1	55.7	0.6	55.1	54.4	52.8	51.4
FERS Normal Cost	5.1	4.9	(0.1)	5.0	4.8	4.5	4.1
PSRHBF Normal Cost (controllable) <sup>3</sup>	—	—	—	—	—	—	3.9
Transportation	8.2	8.8	(0.8)	9.6	10.1	10.3	9.7
Depreciation	2.2	2.0	—	2.0	1.8	1.7	1.7
Supplies and Services	3.6	3.4	0.1	3.3	3.4	3.2	2.9
Rent, Utilities, and Other <sup>4</sup>	7.8	7.5	—	7.5	7.1	6.8	5.8
Controllable Expenses	\$84.0	\$82.3	\$(0.2)	\$82.5	\$81.6	\$79.3	\$79.5
Controllable (Loss) Income	\$(1.09)	\$(1.8)	\$(1.0)	\$(0.8)	\$(2.3)	\$(0.5)	\$(2.4)
Impact of Postal Service reform legislation <sup>5</sup>	—	—	—	—	—	57.0	—
PSRHBF Normal Cost Actuarial Revaluation <sup>3</sup>	—	—	—	—	—	—	(0.3)
PSRHBF Unfunded Liability Amortization	—	—	—	—	—	—	(0.9)
FERS Unfunded Liability Amortization	(2.4)	(2.3)	—	(2.3)	(2.1)	(1.6)	(1.4)
CSRS Unfunded Liability Amortization	(3.4)	(3.2)	—	(3.2)	(3.0)	(2.3)	(1.9)
Workers' Comp. Fair Value and Other Non-Cash Adjustments	—	(2.2)	(2.2)	—	0.9	3.4	2.0
Non-Controllable Items	\$(5.8)	\$(7.7)	\$(2.2)	\$(5.5)	\$(4.2)	\$56.5	\$(2.5)
Net (Loss) Income	\$(6.9)	\$(9.5)	\$(3.2)	\$(6.3)	\$(6.5)	\$56.0	\$(4.9)

<sup>1</sup> Numbers are rounded for additive purposes.

<sup>2</sup> Includes investment and interest income, gain, or loss on sale and income from the out-lease of property.

<sup>3</sup> Total PSRHBF normal cost is the sum of PSRHBF Normal Cost (Controllable) and PSRHBF Normal Cost Revaluation.

<sup>4</sup> Includes interest expense.

<sup>5</sup> Represents the one-time non-cash benefit due to the reversal of \$57.0 billion for past due retiree health benefit obligations that were canceled by the enactment of the PSRA. With the PSRA, PSRHBF normal cost and amortization payments will be zero for FY 2022 and future years. PSRHBF top-up payments, a new payment, are expected to begin in FY 2026.

## FY 2024 Performance Report

In FY 2024, Net (Loss) Income was \$(9.5) billion. This adjusted net loss is \$(3.2) billion worse than the \$(6.3) billion net loss planned in the FY 2024 IFP. This loss includes:

- A negative \$2.2 billion non-cash adjustment to workers' compensation liability due to changes in discount rates and actuarial adjustments.
- A net shortfall of \$(1.0) billion of revenue and controllable expenses compared to plan, despite a \$0.5 billion improvement in this metric compared to the prior year.
- Shipping and Packages growth of \$0.7 billion over the prior year, though \$1.4 billion less than the aggressive targets set in our plan.
- FERS unfunded liability amortization expense remained at plan.
- CSRS unfunded liability amortization expense remained at plan. These expenses are a result of a historically unfair allocation of CSRS pension responsibilities between us and the U.S. Treasury. Re-apportioning CSRS assets in line with modern actuarial standards, as outlined in the Delivering for America plan, would eliminate these payments entirely.

**Revenue** includes funds received from the sale of postage, mailing and shipping services, PO Box rentals, gain or loss on sale and income from the leasing of property, and interest and investment income. The Postal Service's FY 2024 total revenue of \$80.5 billion was \$1.2 billion more than last year, and \$1.2 billion below our aggressive planned revenue.

The following is a description of revenue sources:

**First-Class Mail** primarily consists of single-piece and presorted letters and postcards. Revenue from First-Class Mail was \$25.4 billion, higher than the planned amount by \$0.4 billion, mainly due to higher than planned demand.

**Marketing Mail** consists of mail that weighs less than 16 ounces that is not required to use First-Class Mail service. Marketing Mail is typically used for direct advertising to multiple delivery addresses. Marketing Mail may include advertising, newsletters, catalogs, small marketing parcels, and other printed matter. Revenue from Marketing Mail was \$15.4 billion, above the planned amount by \$0.8 billion, primarily due to the impact of the 2024 general elections and an expanding U.S. advertisement market.

**Shipping and Packages** consist largely of Competitive services that can be priced to reflect current market conditions. These include Priority Mail and Priority Mail Express, last mile and network services such as Parcel Select and Parcel Return, USPS Ground Advantage, and certain other package delivery services. Though we met our volume target for Shipping and Packages and revenue grew by \$0.7 billion over the prior year, the associated revenue was \$32.3 billion, below the aggressive planned amount by \$1.4 billion, due to strong market competition and a fall in demand for Priority Mail.

**International Mail** includes services that enable both domestic and international customers to send mail and packages through either standard or express delivery options to other countries. Most International Mail revenue is generated from outbound services that allow customers in the U.S. to send mail and packages to other countries. Revenue from International Mail was \$1.4 billion, \$0.1 billion less than plan.

**Periodicals Mail** is a class of mail comprised primarily of newspapers, magazines, and other periodic publications whose primary purpose is transmitting information to an established list of subscribers or requesters. Revenue from Periodicals was \$0.9 billion, which is the same as plan.

Other revenue includes ancillary services, such as Certified Mail, PO Box services, Return Receipt services, money order and passport services, and interest income. Other revenue was \$5.1 billion, \$0.9 billion less than plan.

Though our overall volumes and revenues were less than our performance plan targets for FY 2024, both mail and packages exceeded the targets originally set forth in the Delivering for America plan. Domestic mail volume exceeded the target set in the plan by 8.3 billion pieces, or 8.6 percent, while domestic mail revenue exceeded the target by \$4.2 billion, or 11.3 percent. Domestic package volume exceeded the target by 0.3 billion, or 4.2 percent, while domestic package revenue was below the target of \$31.7 billion by \$0.6 billion, or 2.0 percent.

**Controllable Expenses** — The Postal Service's ability to affect our controllable expenses is limited by various legal requirements, including the universal service obligation, collective bargaining agreements, and the obligation to participate in federal benefits programs.

Salaries and benefits expenses include salaries, health benefit expenses for active employees, and workers' compensation cash outlays. These expenses were \$55.7 billion, \$0.6 billion more than the FY 2024 plan. This was primarily due to an increase in total work hours by 16.3 million, which was offset by changes in the mix of career and pre-career employees and the wage rate paid.

FERS normal cost expense is the expense the organization incurs to fund retirement benefits for active employees. The normal cost of \$4.9 billion was \$0.1 billion less than the planned amount.

Transportation expenses include the contractual costs incurred to transport mail and other products between Postal Service facilities, including highway, air, and international transportation contracts, plus contract delivery services. Transportation expenses do not include the compensation and benefits of employees responsible for transporting mail and other products between facilities or to delivery points. The non-personnel costs of transportation to delivery points, excluding contract delivery services, are included in rent, utilities, and other expenses.

Total transportation expenses were \$8.8 billion, \$0.8 billion less than plan. This is because of the impacts of our efforts to realign and streamline our transportation system, including the transition of volume from our air network to our surface network.

Depreciation expense allocates the cost of long-lived assets to the periods in which they are used. These assets include items such as buildings, equipment, vehicles, leasehold improvements, and capitalized software. Depreciation expense in FY 2024 was \$2.0 billion, in line with plan.

Supplies and services expenses include minor equipment, spare parts, furniture, services, cost of sales, office supplies, and cleaning supplies and personal protective equipment. Supplies and services expenses in FY 2024 were \$3.4 billion, \$0.1 billion more than plan.

Rent, utilities, and other expenses include the cost of leasing buildings, utilities, building repairs and alterations, vehicle fuel, information technology, interest expense, and all other miscellaneous items. These items collectively cost \$7.5 billion, which was the same as plan.

*Reference the FY 2024–FY 2025 Targets and FY 2021–FY 2024 Actuals for Corporate-wide Performance Outcomes table on page 39 for historical performance.*

## FY 2025 Performance Plan<sup>8</sup>

In FY 2025, we anticipate a \$1.09 billion controllable loss, resulting from a projected \$2.4 billion increase in revenue with an additional increase in expenses of \$1.7 billion compared to FY 2024.

**Revenue** — Revenue from mail is expected to increase \$0.4 billion compared to FY 2024.

Shipping and Packages revenue is estimated to increase by \$2.3 billion from FY 2024.

International revenue is expected to remain the same, while revenue from other sources is expected to decrease by about \$0.3 billion.

**Controllable Expenses** — Total controllable expenses in FY 2025 are projected to be \$84.0 billion. This target includes the projected impact of management initiatives to balance work hours and transportation costs, both of which are planned to be lower than they were in FY 2024. Salaries and benefits expenses are planned to increase by \$1.4 billion in FY 2025 despite a reduction in work hours due to contractual wage increases.

FERS normal cost expense is planned to increase by \$0.2 billion due to the increase in salaries and benefits.

Transportation expenses are estimated to decrease by \$0.6 billion, largely due to optimizing transportation routes as we implement our planned network changes and lower air transportation costs resulting from shifts of assigned transportation from air to surface.

Depreciation expenses are expected to increase by \$0.2 billion compared to FY 2024 as a result of our increased investments in capital as we modernize our processing, delivery and transportation networks. Supplies and services are expected to increase by \$0.2 billion and rent, utilities, and other expenses are expected to increase by \$0.3 billion.

**Non-Controllable Expenses** — The Office of Personnel Management calculates both FERS and CSRS amortization payments to allow the Postal Service to pay down its unfunded liability obligations to the FERS and CSRS programs. These expenses depend on actuarial assumptions, including interest and inflation rates, over which the organization has no control. FY 2024 planned expenses for FERS and CSRS amortization were \$2.3 billion and \$3.2 billion, which is in line with the actual charged amounts in FY 2024. The FY 2025 IFP projects FERS and CSRS amortization expenses to be \$2.4 billion and \$3.4 billion, respectively.

GAAP requires the Postal Service to record its September 30, 2024, workers' compensation liability based on the prevailing interest rates on that date. The adjustment is a function of events taking place in the economy and outside the organization's control. The Postal Service does not plan for this adjustment in its IFP, and therefore assumes no change in relevant discount rates, mortality rates, inflation rates, and other underlying determinants. In FY 2024, we recorded a negative \$2.2 billion net non-cash workers' compensation expense.

*Reference the FY 2024–FY 2025 Targets and FY 2021–FY 2024 Actuals for Corporate-wide Performance Outcomes table on page 39 for historical performance.*

<sup>8</sup> The FY 2025 IFP information contained in this document will be revised if needed upon approval by the Postal Service Board of Governors.



## Measures of Productivity<sup>9</sup>

Since launching the original Delivering for America plan, the organization has invested significant capital in our modernization efforts. Our continued rollout of and investment in our new S&DCs has improved the efficiency of mail and package delivery. Our shift from air to surface transportation saved us more than \$1 billion in transportation costs and contributed to a decrease in materials input by 3.9 percent compared to FY 2023. Our conversion of pre-career employees to career status, combined with our work hour reduction initiatives, have contributed to a historic decrease in total work hours and in overtime hours. Compared to FY 2023, our work hours decreased by 7.1 million, over 6.6 million of which came from mail processing. These efforts in improving labor efficiency have contributed to a 0.5 percent reduction in labor input, the main driver of resource usage.

Total Factor Productivity (TFP) is a comprehensive measure of the operational efficiency with which the USPS uses resources to create output. An increase in TFP indicates that the ratio of work completed to the resources used is increasing, and the organization is operating more efficiently. Work completed, or workload, depends on three primary

components: the number of delivery points, mail volume weighted by product type, and miscellaneous output (such as other services the organization provides, including passport services).

TFP increased by 0.1 percent in FY 2024 as a result of the strategies outlined in the Delivering for America plan, including the redesign plan of our processing and logistics networks, the shift of package volume to ground transportation, and the stabilization of our workforce. This improvement reverses a long-standing trend of decreasing productivity and is an important indicator that our strategies are creating a more efficient and effective nationwide delivery network.

Because TFP is a measure of output per units of labor and capital, our recent increase in capital investments have depressed TFP in the short-term. Without these investments, our TFP increase would have been higher. This example highlights the shortcomings of pursuing a single productivity measure like TFP. Had we failed to make these investments, the organization would still be on a path to declining productivity and performance.

<sup>9</sup> FY 2024 TFP and Labor Productivity is preliminary until the CRA report is released in early 2025.

Labor productivity measures the efficiency of labor. An increase in the labor productivity index indicates that more workload is being handled per unit of labor. A decrease in labor productivity indicates labor is less efficient in workload generated per unit of labor.

In FY 2024, labor productivity decreased 0.4 percent compared to FY 2023. This average, however, disguises significant increases in labor productivity in the areas currently targeted by the Delivering for America plan. Labor productivity increased by 1.8 percent for distribution and by 2.1 percent for the related function of mail handling. Labor productivity for delivery, which is heavily weighted in the overall labor productivity calculation, decreased by 0.4 percent.

In FY 2024, workload declined 0.9 percent from FY 2023. Weighted mail volume, which is the largest component of workload, decreased 2.0 percent from FY 2023.

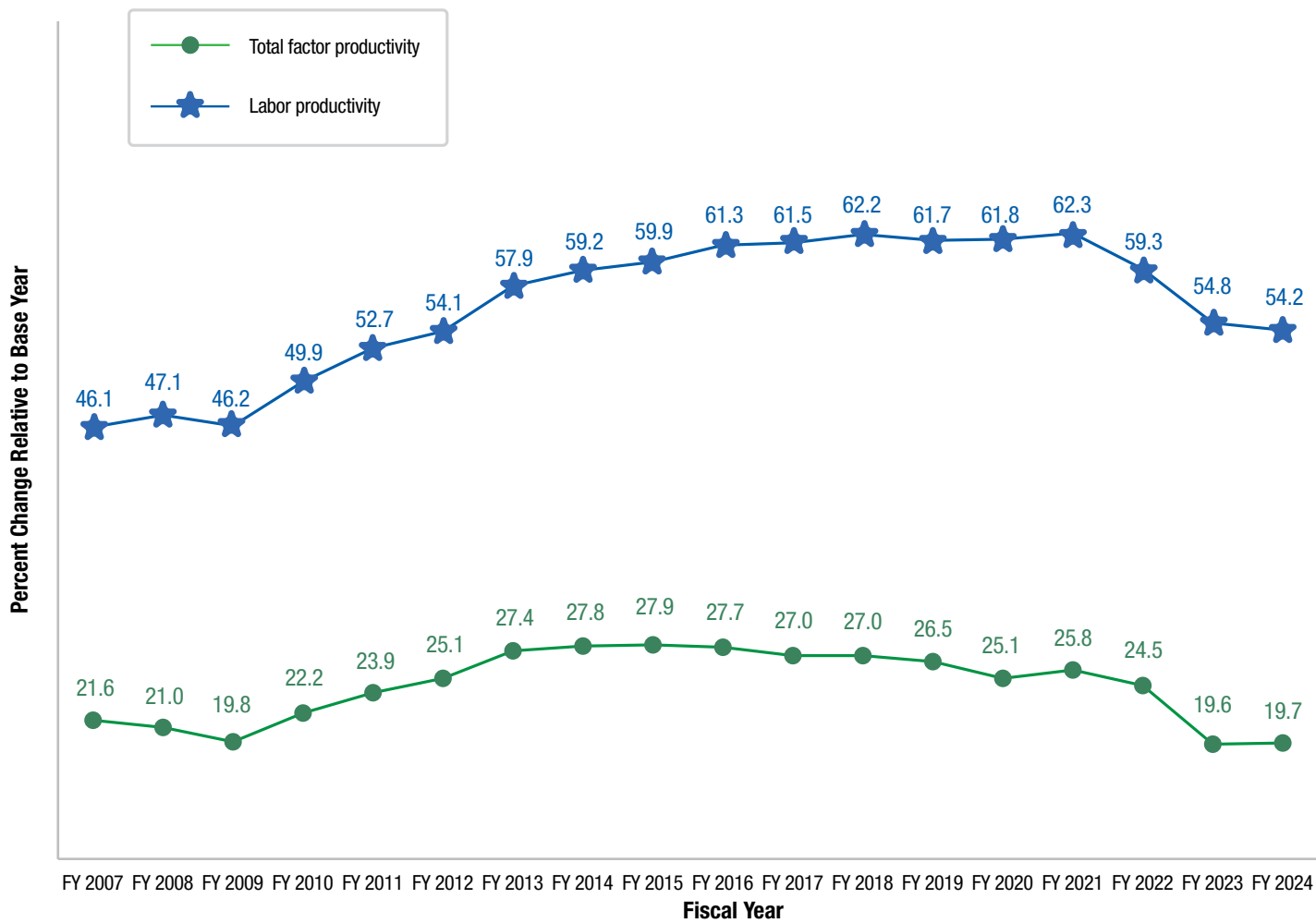
The 2.0 percent decrease in weighted mail volume was driven by decreases in Priority Mail, First Class Single-Piece Letters, and most categories of USPS Marketing Mail (particularly Flats and Carrier Route), which were partially offset by increases in USPS Ground Advantage – Heavyweight

Commercial, USPS Ground Advantage – Heavyweight Retail, and Parcel Select Mail. Miscellaneous output declined 6.0 percent and delivery points grew 1.3 percent from FY 2023.

In FY 2024, resource usage decreased 1.1 percent from FY 2023. Labor input, the largest component of resource usage, decreased 0.5 percent from FY 2023. The 0.5 percent decline in labor input was driven by decreases in the Pre-career Clerks, Pre-career City Delivery Carriers, and Full-Time Clerks categories, which were partially offset by increases in the labor categories of Supervisors and Career City Delivery Carriers. Career work hours increased 0.8 percent, while pre-career work hours decreased 8.3 percent from FY 2023. Additionally, capital input increased 3.2 percent and materials input decreased 3.9 percent from FY 2023.

Productivity improvements take years for the effects to be seen, and as a result it is more useful to consider changes in TFP and labor productivity over a period of years, rather than year-to-year.

The following chart shows the cumulative percent change in TFP and labor productivity each year relative to the index year (FY 1971) since FY 2007.





## Strategic Initiatives

The Postal Service established strategic goals as described in the Delivering for America plan. To help achieve these goals, the organization has implemented a portfolio of strategic initiatives and a rigorous portfolio management process. This process is based on well-established methods to apply strategic and financial rigor to decision making and navigate significant organizational changes.

Each strategic initiative has a specific set of measures to track performance against desired Delivering for America outcomes. The Postal Service continues to implement the

initiatives outlined in the plan as refined to align with the new FY 2025 target outcomes.

For more information regarding the Delivering for America initiatives and the progress of the Delivering for America plan, including the new Delivering for America 2.0 — Fulfilling the Promise, visit [about.usps.com/what/strategic-plans/delivering-for-america](https://about.usps.com/what/strategic-plans/delivering-for-america).

The following table shows how the strategic initiatives implemented in FY 2024 and planned for FY 2025 align to the organization's corporate-wide performance outcomes.

# FY 2024 and FY 2025 Strategic Initiatives Matrix

Accessible Matrix

FY 2024 DFA Strategic Initiative	FY 2024 Corporate Outcomes Supported				FY 2024 to FY 2025 Change	FY 2025 DFA Strategic Initiatives	FY 2025 Corporate Outcomes Supported			
	High-Quality Service	Excellent Customer Experience	Safe Workplace and Engaged Workforce	Financial Health			High-Quality Service	Excellent Customer Experience	Safe Workplace and Engaged Workforce	Financial Health
Strengthen Value Of Mail and Sustain Public Service Mission		X		X	Refined	Strengthened Public Service Mission		X		X
						Bold Approach to Growth, Innovation, and Continued Relevance		X		X
Implement Service Standards	X			X	Refined	Service Standards That Foster Excellence and Reliability	X			X
Innovate and Launch Usps Connect	X			X	Completed					
Optimize Surface and Air Transportation Network	X	X		X	Refined	Fully Optimized Surface and Air Transportation Network	X	X		X
Modernize Delivery Vehicle Fleet			X	X	Refined	Environmental Stewardship			X	X
Implement Best-in-Class Processing Operations	X			X	Refined	Best-In-Class Mail and Package Processing	X			X
Implement Best-in-Class Delivery Operations	X	X	X	X	Refined	Best-In-Class Delivery Operations	X	X	X	X
Modernize Retail Post Offices		X	X	X	Refined	Modern and Transformed Network of Post Offices		X	X	X
Stabilize and Empower Workforce			X		Refined	Stable and Empowered Workforce			X	
Align Organizational Structure			X	X	Refined	Organization Structured for Success				X
Implement a More Rational Pricing Approach				X	Refined	More Rational Approach to Pricing				X
						Financial Stability and Investment				X
Support Legislative and Administrative Actions				X	Refined	Sensible and Prudent Legislative and Administrative Support				X

Note: The strategic initiatives identified in the both the Delivering for America plan and Delivering for America 2.0—Fulfilling the Promise are subject to change by the USPS Board of Governors as changes in strategy become necessary or business conditions warrant.

# Additional Information

For additional information on USPS strategies, programs, and policies, visit [about.usps.com](https://about.usps.com).

## Trademarks

The eagle logo, the trade dress of USPS packaging, the letter carrier uniform, trade dress of the round top collection box and the postal truck, and the following word marks are among the many trademarks owned by the United States Postal Service®: Certified Mail®, Click-N-Ship®, Delivering for America®, First-Class™, First-Class Mail®, First-Class Package®, Forever®, Informed Delivery®, Informed Visibility®, Parcel Select®, PO Box™, Post Office®, Postal Pulse®, Postal Service™, Priority Mail®, Priority Mail Express®, Priority Mail Express International®, Priority Mail International®, Putting our Stamp on a Greener Tomorrow®, Standard Post™, United States Postal Inspection Service®, United States Postal Service®, U.S. Mail®™, U.S. Postal Service®, USPS®, USPS BlueEarth®, USPS Connect®™, USPS Ground Advantage®, USPS Marketing Mail®, USPS Tracking®, *usps.com*®, Village Post Office™, and ZIP Code™.

## Year References

Unless otherwise noted, all references to a specific year or “the year” refer to the Postal Service fiscal year ending September 30. However, specific month and year references pertain to the calendar dates.

