United States Postal Service
Fiscal Year 2025 Annual Report to Congress

Fiscal Year 2025 Annual Report
Fiscal Year 2025 Comprehensive Statement on Postal Operations
Fiscal Year 2025 Performance Report
Fiscal Year 2026 Performance Plan

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Report Structure and Purpose

This document consists of the following four reports:

- Fiscal Year (FY)[1] 2025 Annual Report, including a statement from the United States Postal Service (USPS) Postmaster General and USPS Board of Governors Chairwoman on our[2] operations.
- FY 2025 Comprehensive Statement on Postal Service Operations.
- FY 2025 Annual Performance Report.
- FY 2026 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. 22).
- 416(f), on the reporting of information related to semipostal stamps (p. 22).
- 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. 16–35).
- 2402, on the submission of an Annual Report (pp. 1-15).
- 2803, on the submission of an Annual Performance Plan (pp. 37-60).
- 2804, on the submission of an Annual Performance Report (pp. 37-60).
- 3652(g), on the submission of the Comprehensive Statement, Annual Performance Report, and Annual Performance Plan (pp. 16–60).

[1] *All references to a specific year or "the year" refer to the Postal Service fiscal year ending Sept. 30, 2025. However, specific month and year references pertain to the calendar dates.*

[2] *The terms "we," "us," and "our" refer to the United States Postal Service.*

FY 2025 Annual Report

Financial and Operational Highlights

Totals at Sept. 30 and Percent Change

(in millions, except percentages)	FY 2025	FY 2024	FY 2023	FY 2025 Percent Change	FY 2024 Percent Change
Total mail and package volume	108,695	112,456	116,174	(3.3)	(3.2)
Total revenue with investment and interest income	$ 81,352	$ 80,505	$ 79,324	1.1	1.5
Total expenses[1]	$ 90,330	$ 90,025	$ 85,802	0.3	4.9
Net income (loss)	$ (8,978)	$ (9,520)	$ (6,478)	5.7	(47.0)
Purchases of property and equipment	$ 3,585	$ 4,199	$ 3,000	(14.6)	40.0
Debt	$ 15,000	$ 15,000	$ 13,000	0.0	15.4
Capital contributions of U.S. Government	$ 16,132	$ 16,132	$ 16,132	0.0	0.0
Deficit since 1971 reorganization	$ (57,742)	$ (48,764)	$ (39,244)	18.4	24.3
Total net deficiency	$ (41,610)	$ (32,632)	$ (23,112)	(27.5)	(41.2)

(in actual units indicated, unaudited)	FY 2025	FY 2024	FY 2023	FY 2025 Percent Change	FY 2024 Percent Change
Number of career employees	531,261	533,724	525,469	(0.5)	1.6
Number of pre-career employees	93,231	105,951	114,623	(12.0)	(7.6)
Total delivery points	170,389,351	168,578,718	166,577,596	1.1	1.2
Change in delivery points served	1,810,633	2,001,122	1,673,504	(9.5)	19.6

[1] *Includes interest.*

Letter from the Postmaster General and USPS Board of Governors Chairwoman

For 250 years, the United States Postal Service has connected America, binding the nation together as one of its most enduring and essential institutions. Today, over 624,000 postal employees continue to build on our rich legacy of public service, serving more than 170 million addresses — every home and every business.

We are a vital thread in the fabric of American life, delivering connection, commitment, and trust as well as nearly 330 million pieces of mail and packages daily, which continually nurtures and strengthens our deep bond with the American public.

Our long legacy is one of continual transformation. As America evolved and expanded, so did our mission. When challenges arose, we overcame them by embracing fresh ideas and technological advances. We again face such a juncture, working to reshape our operations to meet our universal service obligation and legal mandate to do so in a financially sustainable way at a time when demand for traditional mailing products is contracting and competition for package delivery intensifies.

Today, the Postal Service is in the midst of a severe financial crisis, with liquidity constraints a major concern. Our recovery is tied to our modernization plan, launched in 2021 and expanded in 2024, which continues to guide our strategic direction and – when fully implemented – will enable long-term financial stability. But, this alone is not enough and our financial position remains burdened by non-controllable Congressionally mandated costs, an outdated archaic debt limit not updated in over 30 years, and a lack of strategic infrastructure investment over decades.

After nearly two decades of deferred investment that undermined efficiency, performance, and employee engagement, we are now investing in our workforce and infrastructure. We are building new facilities and upgrading existing ones, deploying larger delivery vehicles that enable us to deliver greater volumes of packages to more addresses, adding and modernizing automation, updating our information technology systems, and implementing more effective business processes. We have also integrated our processing and transportation networks into a unified system, allowing mail and packages to travel together on the same schedules.

In FY 2025, we made real progress on our strategy to modernize and streamline our operations. Our old, inefficient and expensive patchwork of facilities is being systematically replaced with a structured, logical and efficient hub-and-spoke network. With a planned nucleus of approximately 60 Regional Processing and Distribution Centers (RPDCs) and an ecosystem of support facilities and high-speed routes, this new network is designed to facilitate a faster flow of mail and packages nationwide while reducing costs.

By the end of fiscal year 2025, 13 of our RPDCs were fully operational. We have now also activated more than 133 Sorting and Delivery Centers across the country, providing millions of Americans with more reliable and efficient service by simplifying our network.

Improving service is a top priority; in January 2025, we increased our commitment to better serve our customers with structural management adjustments to drive service improvement across our entire operation, support cross-functional collaboration, and drive process improvements. These changes have already produced measurable results.

Our new service standards were implemented starting in early April, and since then we have seen steady improvements in service that continued through the second half of the year. By year's end, we achieved six consecutive months of stronger, more stable performance and even exceeded on-time goals for key products, driven by better processes, greater operational stability, and a disciplined focus on precision and reliability.

These gains are the result of a multi-pronged approach: aligning staffing to workflow, ensuring adequate transportation, optimizing mail flows, and using analytics to identify root causes and implement solutions quickly. Facility-by-facility engagement, real-time dashboards, and targeted retraining have been key to sustaining improvements.

Our new network is more than a logistics upgrade; it is a broader, more capable platform that allows us to do more for our customers. We can now be much more aggressive in growing our shipping business, and we are changing our portfolio for the better. New products like USPS Ground Advantage and Priority Mail Next Day are closing major product design gaps and offering exceptional value.

Combined with our inherent strengths of transparent pricing and nationwide reach, our enhanced products are attracting new customers and generating greater volumes from existing customers. Even in a year when the overall shipping sector declined, we gained market share, particularly in ground shipping, underscoring the competitiveness of our offerings.

As we make progress toward better operational efficiency and performance, disciplined cost control, and smart revenue growth, we nevertheless face significant, systemic, and structural financial challenges and we need urgent Congressional action on many important challenges.

In FY 2025, 70 percent of our reported accounting losses were the result of non-controllable expenses resulting solely from Congressional mandates related to our pension and workers' compensation programs. We look forward to continuing our work alongside Congress to reform these programs and the oversight frameworks that currently restrict the Postal Service's potential.

In addition, we urgently seek to improve our financial flexibility by increasing the debt limit that was imposed more than 30 years ago. This is particularly pressing considering the demands of our ongoing 10-year, $40 billion capital investment plan, of which approximately $20 billion is allocated toward redressing decades of deferred investment and maintenance.

While our transformation plan provides the framework for success, our ability to drive meaningful change is limited without collaboration with Congress.

Building on the progress made, we look forward to continuing our work alongside Congress to reform the financial, operational and oversight frameworks that currently restrict the Postal Service's potential, including a more equitable approach to pension cost allocation and the streamlining of redundant oversight mechanisms, as well as other critical reforms.

Our objective is to modernize the Postal Service into the mailing and shipping provider the country wants and needs. When we assumed our new responsibilities in 2025, we both made an explicit commitment to maintaining that momentum by improving service, operating more efficiently, investing in our people and infrastructure, and providing value to every home, business and community we serve, every day.

We thank you for reviewing this report and for your continued support of the United States Postal Service.

David P. Steiner

Postmaster General and Chief Executive Officer

Amber F. McReynolds

Chairwoman, 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[3] 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, 2025, the Board consisted of five appointed Governors, the Postmaster General, and the Deputy Postmaster General.

Amber F. McReynolds, USPS Board of Governors Chairwoman

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, 2024, she was elected by her fellow Governors to serve as chair of the Board of Governors. Previously, she was elected by her fellow Governors to serve as vice chair on November 14, 2023. She also currently chairs the Board's Election Mail Committee and serves on the Operations 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 a national nonpartisan organization; and now serving as an elections consultant and advisor supporting various nonpartisan organizations across the United States.

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 shape Colorado's system modernization 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, and in 2022 she received the University of Illinois Alumni Achievement Award.

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, and serves on various boards of directors and advisory boards for other national organizations and businesses. 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.

Derek T. Kan, USPS Board of Governors Vice Chairman

Derek T. 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. On November 14, 2024, he was elected by his fellow Governors to serve as vice chairman of the Board of Governors. He currently chairs the Board's Compensation and Governance Committee and serves on the Operations Committee.

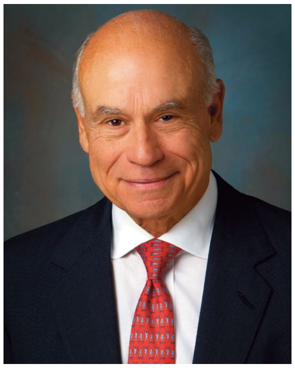
Kan currently serves as a Vice President at Shopify, after its acquisition of Deliverr, an e-commerce fulfillment company where he was chief business officer. Before this role, Kan held several high-level positions in the federal government, including deputy director of the White House Office of Management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

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

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. He also served as a board observer for Rand Logistics.

Kan received a Bachelor of Science from the University of Southern California in just three years, 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.



Roman Martinez IV, Governor

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 served for the remainder of a seven-year term that expired on December 8, 2024, and is currently in his holdover year. He served as the 25th chairman of the Board of Governors from January 12, 2022, to December 1, 2024, and previously served as the vice chairman from February 9, 2021, to January 12, 2022. He chaired the Board's Audit and Finance Committee from 2019 to 2023 and continues to serve as a member of that committee, as well as the Compensation and Governance 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 financing, mergers and acquisitions, corporate restructurings, and overall corporate financial advice.

Martinez has served on the boards of 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.

Martinez holds a bachelor's degree from Boston College and a Master of Business Administration from The Wharton School of the University of Pennsylvania.

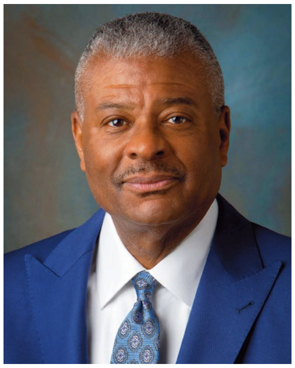
Robert M. Duncan, Governor

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. He was reconfirmed for a second seven-year term in December 2019, which was set to expire on Dec. 8, 2025 and was serving in his second term until resigning on March 27, 2025. Previously, he served as the 23rd chairman of the Board of Governors from September 2018 to February 2021.

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, including as chairman from 2009 to 2010; and in 2017, as 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, was president and chief executive officer of the American Coalition for Clean Coal Electricity from 2012 to 2016, and as 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.



Ronald A. Stroman, Governor

Ronald A. 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 currently chairs the Board's Operations Committee and serves on the Compensation and Governance Committee.

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.

Prior to becoming DPMG, Stroman had more than 30 years of professional experience in government, legislative affairs, and leadership. 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 and serves on the Election Mail Committee.

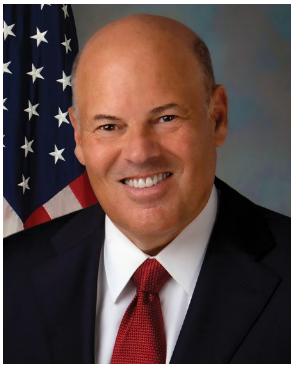
Tangherlini has an extensive background in public administration, business, finance, and corporate governance. He has served in leadership roles in the public, nonprofit, and private sectors. His interest is in bringing increased equity and effectiveness to business, philanthropy, and government through 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.



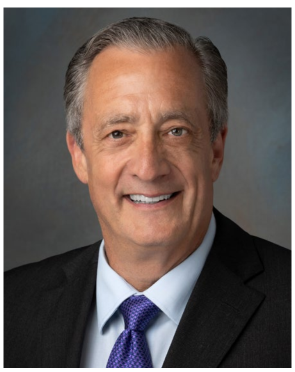
Louis DeJoy, Former USPS Postmaster General and Chief Executive Officer

Louis DeJoy was the 75th Postmaster General of the United States and the Chief Executive Officer of the Postal Service. He began his tenure in June 2020, serving on the Postal Service Board of Governors. DeJoy resigned from his position on March 24, 2025.

Prior to joining the Postal Service, DeJoy spent more than 35 years growing and managing a successful nationwide logistics company.

As Postmaster General, DeJoy focused on creating a long-term, sustainable operating model to ensure the organization could fulfill its public service mission while remaining self-sufficient.

DeJoy is a member of the Board of Trustees at Elon University. He received his Bachelor of Business Administration from Stetson University.



David Steiner, Postmaster General and Chief Executive Officer

David Steiner is the 76th Postmaster General of the United States and Chief Executive Officer (CEO) of the U.S. Postal Service. He was appointed by the organization's Board of Governors and began his tenure on July 15, 2025. In his role as Postmaster General, Steiner also serves as a member of the Board of Governors.

Steiner is the former CEO of Waste Management, a $20.4 billion revenue waste and environmental services company operating throughout North America, with nearly 50,000 employees. He was CEO from 2004 until 2016.

Joining Waste Management in 2000, Steiner quickly rose to become general counsel, then chief financial officer and finally CEO. Under his leadership, Waste Management transformed its operations and culture. Steiner is credited with delivering strong financial results and repositioning the company as a leader in the recycling sector. Earlier in his career, Steiner was a partner in the law firm of Phelps Dunbar.

Prior to joining the Postal Service he held several board of director positions, including lead independent director of FedEx, and director at Vulcan Materials Company, both publicly traded, and director of AMP, a privately held, artificial-intelligence-powered recycling industry automation firm.

He was previously a director of TE Connectivity, a technology manufacturing firm. He currently serves on several nonprofit and educational boards, including the E.J. Ourso College of Business at Louisiana State University.

Steiner received a Bachelor's degree in Accounting from Louisiana State University and earned his juris doctor from the UCLA School of Law.

Douglas Tulino, Deputy Postmaster General, Chief Operating Officer, and Chief Human Resources Officer

Douglas Tulino was appointed deputy postmaster general in May 2021. He also serves as the chief operating officer and chief human resources officer, emphasizing a commitment to the Postal Service workforce and to initiatives in the 10-year strategic plan, which are designed to make the Postal Service a great place to work for all employees. Tulino served as Acting Postmaster General from March 24 to July 14, 2025. He also plays a key leadership role in ongoing stakeholder outreach, is a member of the Board and serves on the Board's Operations Committee.

As deputy postmaster general, Tulino ensures the organization's culture, talent, labor relations, and leadership development are all contributing to the successful implementation of the 10-year strategic plan.

As chief operating officer, Tulino leads the continuous improvement of the entire postal network operation as well as the allocation of people and resources. He is responsible for the day-to-day activities of 531,000 career employees working in more than 32,000 retail and delivery sites, more than 300 logistics and processing facilities, supported by a fleet of over 262,000 vehicles. He is responsible for Post Offices, delivery and retail operations, facilities, and the mail processing and transportation network, managing the coordination and operational excellence of these respective functions.

As chief human resources officer, he oversees all aspects of Human Resources for the Postal Service's 624,000-member workforce, striving to establish the Postal Service as an "employer of choice" that hires, develops, and retains the most capable employees. He is responsible for Labor Relations, Human Resource Management, Organizational Development, Compensation and Benefits, Talent Management, Recruiting and Hiring, and HR Technology.

Tulino started his Postal Service career as a management associate in 1980 in Chicago and rose through the ranks of Labor Relations. He possesses a strong background in labor relations and human resources, with more than 44 years of Postal Service experience. For 19 of those years, he served in positions in human resources, operations, and labor relations at every level of the field organization.

In 2005, Tulino began more than 15 years of service as Vice President, Labor Relations. In that role, he was responsible for overseeing contract negotiation, collective bargaining, grievance and arbitration administration, and consultation with management associations, compensation and benefits for Executive Administrative Schedule (EAS) employees, and maintaining organizational compliance with employment-related statutory and regulatory mandates. As the Postal Service's chief negotiator, he worked closely with union and management association leadership to resolve difficult workplace issues to improve labor agreements that restructured labor costs, improving the Postal Service's financial health.

Tulino holds a Bachelor's degree in Business Administration and Industrial Relations from Kent State University in Ohio. He was recognized with vice president awards in 2001, 2002, 2003, and 2004, the Board of Governors award in 2007, and Postmaster General awards in 2014, 2016, and 2023.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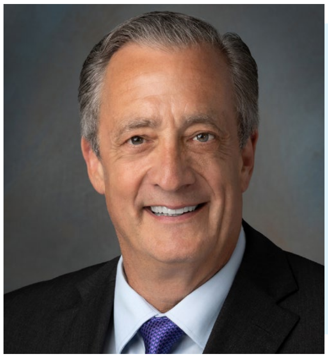
USPS Executive Leadership Team (ELT)



Postmaster General and Chief Executive Officer

David Steiner

Deputy Postmaster General, Chief Operating Officer, and Chief Human Resources Officer

Douglas Tulino

Chief Performance 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.

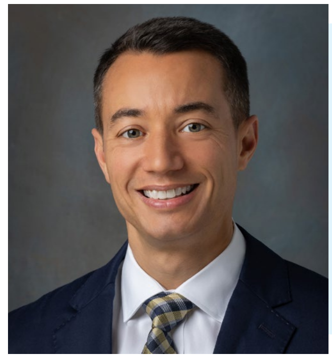
Ronnie Jarriel

Chief Retail and Delivery Officer and Executive V.P.

Elvin Mercado

Chief Customer and Marketing Officer and Executive V.P.

Steven Monteith



Chief Financial Officer and Executive V.P.

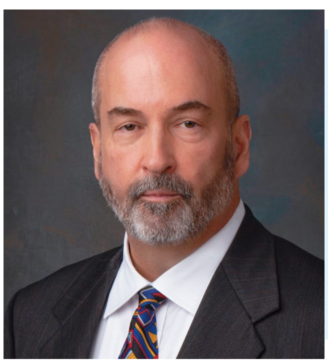
Luke Grossmann

Chief Information Officer and Executive V.P.

Pritha Mehra

Chief Technology Officer and Executive V.P.

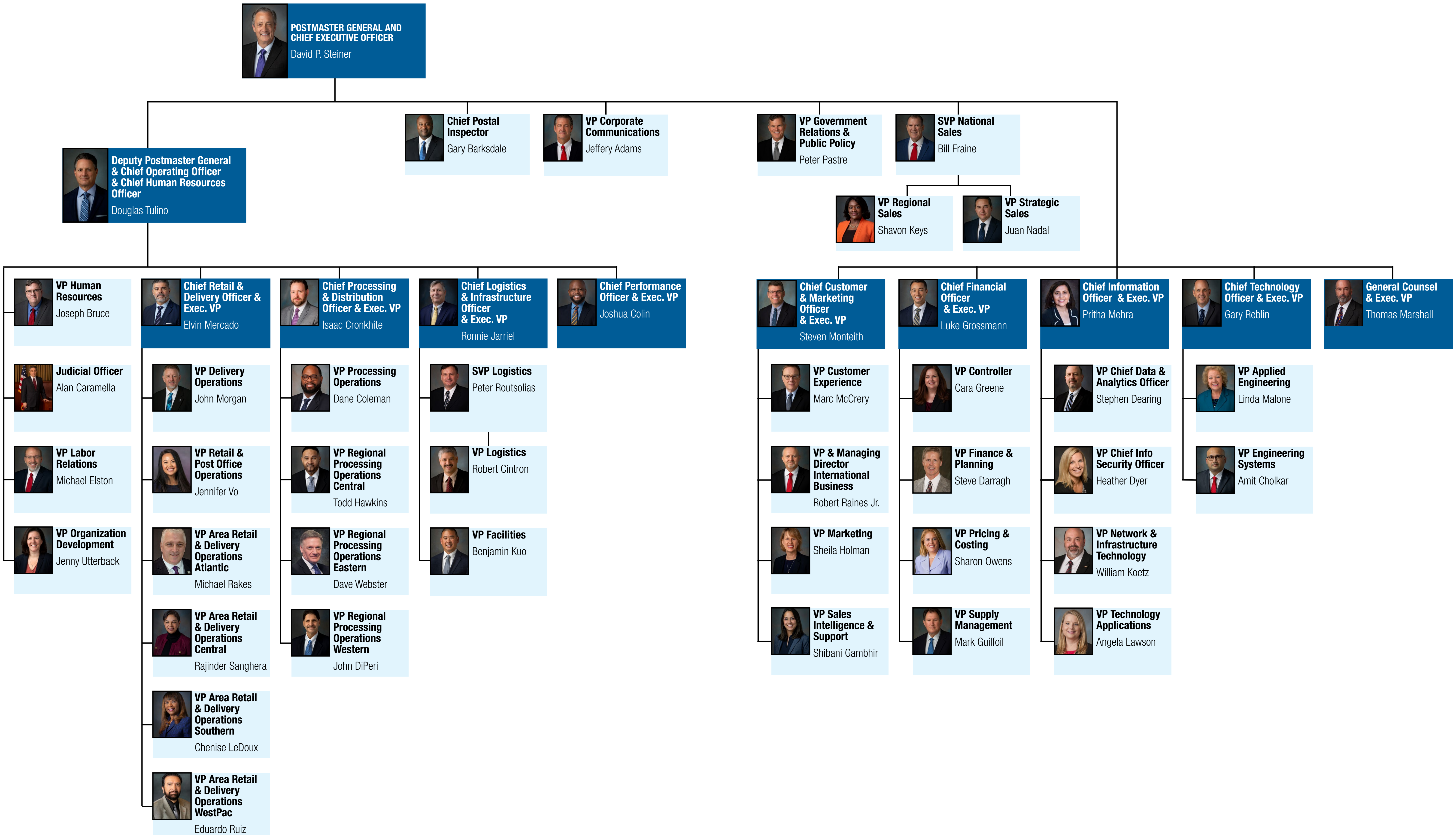
Gary Reblin



General Counsel and Executive V.P.

Thomas Marshall

USPS Organizational Chart



FY 2025 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. We also serve 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:

Our mission

- 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.

Delivering Since 1775

Delivering Since 1775 — simple words that endure through not only decades but centuries. Simple, yet powerful enough to commemorate the 250th anniversary of the United States Postal Service on July 26, 2025.

The mission to honor those words, however, was not so simple. How best to recognize the milestone 250th anniversary of the storied agency that binds the nation together, and has done so since even before the United States was formed?

In fact, planning for the milestone anniversary began in January 2024, when an internal task force was created. The task force's charter, in part was:

"To honor our extensive history since the earliest days of the American Revolution and to engage the American public in the valued role we play in their everyday lives and in the life of the nation — including the history we are creating today through our current transformation and modernization efforts."

The task force, chaired by the Postmaster General, was co-led by the USPS Corporate Communications and Marketing vice presidents, and included the Corporate Historian, representatives from Licensing, Stamp Services, Digital Communications, Employee Communications, and the U.S. Postal Inspection Service. The task force also consulted with the Smithsonian National Postal Museum and America 250, the nonpartisan initiative planning for America's 250th anniversary in 2026.

Objectives were defined to bolster the United States Postal Service brand, advance its service mission and narrative of progress, and define aspirations for the future for an increasingly meaningful role with the American public.

A special 250th anniversary "Eagle in Flight" graphic identifier was designed and launched with a news release in April. The image of an eagle taking wing atop the phrase "USPS 250" symbolizes the organization's past, present, and future. The identifier is being used throughout the anniversary year for celebrations and branded products, through July 4, 2026, the nation's 250th. All career employees received an Eagle in Flight lapel pin in July 2025, the week before the anniversary.

Plans were made for a portfolio of activities designed to engage employees, customers, and the American public through advertising, touchpoints at Post Offices nationwide, and events centered around two anniversary commemorative stamp issuances.

The stamps were unveiled April 27, and dedicated July 23 outside USPS headquarters in Washington, DC. The first issuance, "250 Years of Delivering," is a pane of 20 stamps following a mail carrier on her rounds through four seasons of the year. The second is a 32-page prestige booklet, "Putting a Stamp on the American Experience," that includes two self-adhesive sheets of a new Benjamin Franklin stamp, based on an original 5-cent Franklin stamp from 1875.

The organization has worked cross-functionally to chronicle and celebrate our history in numerous ways including publishing a book, *Delivering for America: How the United States Postal Service Built a Nation*, creating T-shirts and other licensed products, launching a 250th anniversary website, producing promotional materials for Post Offices and retail units — with a special kit for 60 offices in existence since 1775 — and producing digital and video communications for distribution across social media platforms, as well as special editions of employee magazines and newsletters.

Commitment to Diversity

The Postal Service remains committed to ensuring our workforce reflects the diverse communities we serve at all levels of the organization while also ensuring that advancement and promotion is based on merit. By embracing this responsibility, we aim to enhance the diversity of our organization through targeted recruitment, amplified veteran outreach, expanded employee development opportunities, and our corporate succession planning.

In FY 2025, the Postal Service accomplished the following in pursuit of improving diversity in our leadership ranks and overall workforce:

- Continued identifying and leveraging new and existing agencies and job boards to recruit and hire talent from underrepresented groups.
- Continued expanding partnerships with veteran agencies to advertise, recruit, and hire members from our military communities, with emphasis placed on hiring disabled veterans into maintenance careers.
- Continued with the program offerings for our Leadership Programs to include three Managerial Leadership Programs and five Advanced Leadership Programs. These programs are intended to prepare employees in our Corporate Succession Planning program for their first executive appointments by developing them in critical executive and managerial competencies.
- Expanded course offerings to develop critical skills for managers and leaders leveraging a self-nomination process to a larger audience, enabling us to continue building a bench of diverse leaders and managers.

Currently, historically underrepresented racial groups account for 54 percent of the total workforce and women account for 44 percent. Further, historically underrepresented racial groups comprise 39 percent and women comprise 36 percent of senior USPS management positions.[4]

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 2024 Bureau of Labor statistics from the Current Population Survey, Black Americans make up 13 percent, Hispanic Americans 19 percent, and Asian Americans 7 percent.[5]

The Postal Service workforce is comprised of 11 percent of veterans' preference eligible employees, compared to a national rate of 5.14 percent for veterans, according to the Bureau of Labor Statistics.[6]

In 2025, the Postal Service was ranked a Top Ten Military Friendly Spouse Employer and Military Friendly Gold Employer by VIQTORY, as well as Best for Vets Employer by *Military Times*, Recognized Employer by Vet Indexes, and the Military Friendly award from *U.S. Veterans Magazine*.

[4] *Senior management is defined as Officer, Executive, and Payband level positions.*

[5] *Labor force characteristics by race and ethnicity, 2024. Retrieved September 18, 2025, from labor force characteristics by race and ethnicity, 2024: BLS Reports: U.S. Bureau of Labor Statistics.*

[6] *Employment Situation of Veterans – 2024, Table 5. Employed persons 18 years and over by industry, class of worker, sex, veteran status, and period of service, 2024 annual averages (Last Modified Date: March 20, 2025). Retrieved September 18, 2025, from https://www.bls.gov/news.release/vet.t05.htm.*

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. Although the Postal Accountability and Enhancement Act (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 30,972 Postal Service-managed Post Offices, stations, and branches, plus approximately 1,935 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*. Mail deliveries are made to more than 170 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.
- **USPS Marketing Mail** — This category includes advertisements and marketing letters (up to 3.5 ounces), as well as flats and packages that weigh less than 16 ounces. This mail must meet the criteria of not being required to be mailed using First-Class Mail or Periodicals service because of their content. USPS Marketing Mail is typically used for direct advertising to multiple delivery addresses. A sub-category of USPS Marketing Mail is Nonprofit mail. It is available for customers with prior USPS authorization. USPS Marketing Mail has volume requirements that must be met at the time of mailing. The category of Every Door Direct Mail 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 class of mail offered for distribution of newspapers, magazines, and newsletters that have a required delivery frequency of four times a year. 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 across the United States.
  - **Package Services**, which is for merchandise or printed matter, such as Bound Printed Matter up to 15 pounds as well as Library and Media Mail weighing up to 70 pounds.
  - **Parcel Services**, which describes Parcel Select, USPS Ground Advantage (Retail and Commercial), 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 1 to 3-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 and fast local, regional, and national deliveries and returns, the USPS Connect suite of products offers these options:
  - **USPS Connect Local Mail**, a solution tailored to small and medium businesses in select markets. USPS Connect Local Mail offers local customers affordable, same-day/next-day delivery for envelopes and flats up to 13 ounces. There is a special flat-rate price for taking mail to a USPS drop-off point close to the recipient.
  - **USPS Connect Local**, which allows 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.
  - **USPS Connect Regional**, which provides regional entry and next-day delivery of Parcel Select packages. Businesses can reach a majority of the population the next-day with regional hub and plant destination entry, or next-day and two-day with RPDC destination entry at a designated center, facility, or unit.
  - **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*.

- **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 with 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, USPS 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 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.[7] In FY 2025, the retail price for a First-Class Mail 1-ounce stamp was raised $0.05 to $0.78 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 2025 average price increases varied by Competitive services products.

For more information on postal services and products, visit *usps.com*.

[7] *For additional information regarding the Postal Service's pricing authority, please reference PRC Order 5763, issued in November 2020.*

Operations

As we continue to implement our strategic transformation plan, we are also aligning our organizational structure to improve line of sight and drive operational precision. These changes enhance role clarity and increase accountability in support of our mission and strategy, while reinforcing our focus: collect, process, move, and deliver mail and packages.

In FY 2025, we renewed our commitment to this focus by realigning core business functions within the organization to center around three key strategic priorities: financial stability, service excellence, and investment in our people and infrastructure. To support this realignment, we reinstated the Chief Operating Officer role to oversee coordination and drive operational performance across the Processing and Distribution, Logistics and Infrastructure, and Retail and Delivery functions. We have also created a new Chief Performance Officer position to assess the health of operations against quality standards.

As part of the operational realignment and to better serve the American public, we have further fine-tuned our Processing Operations to include a Central Processing Region composed of 5 divisions. This adjustment enhances our ability to manage workload distribution and improve service consistency across the network. Figures 1 and 2 below provide maps of this new alignment of processing divisions across our three regions.

Figure 1. Processing Regions

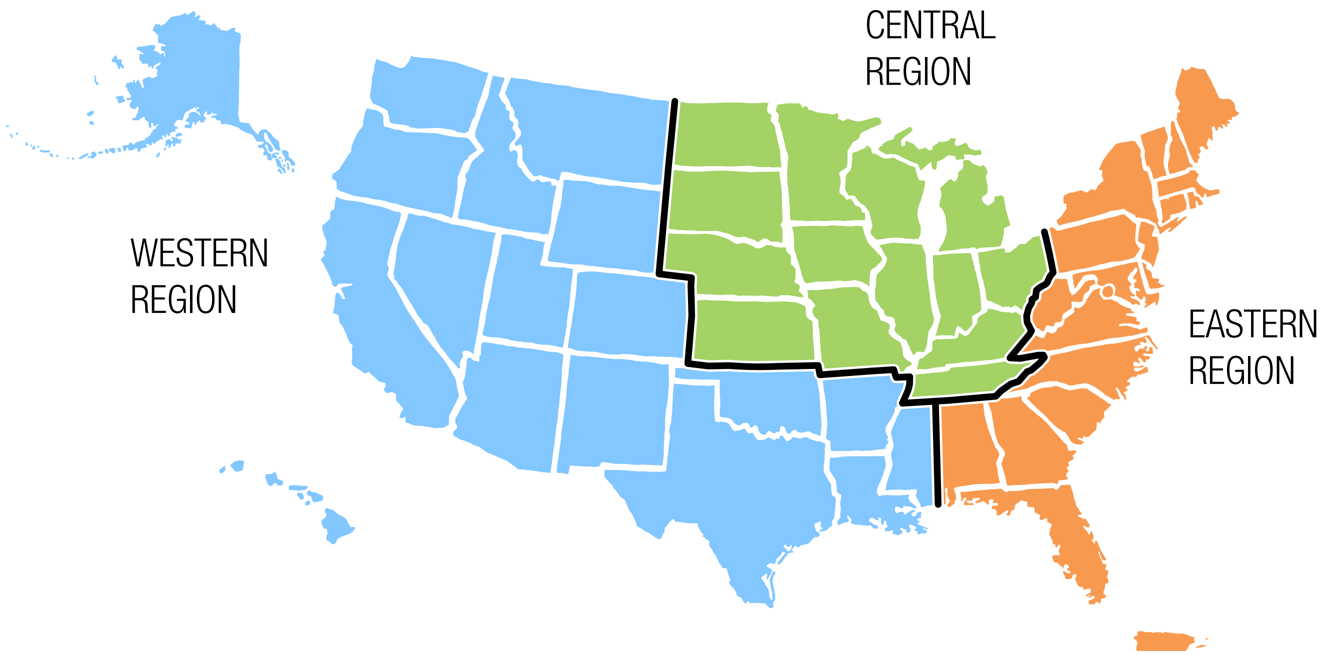
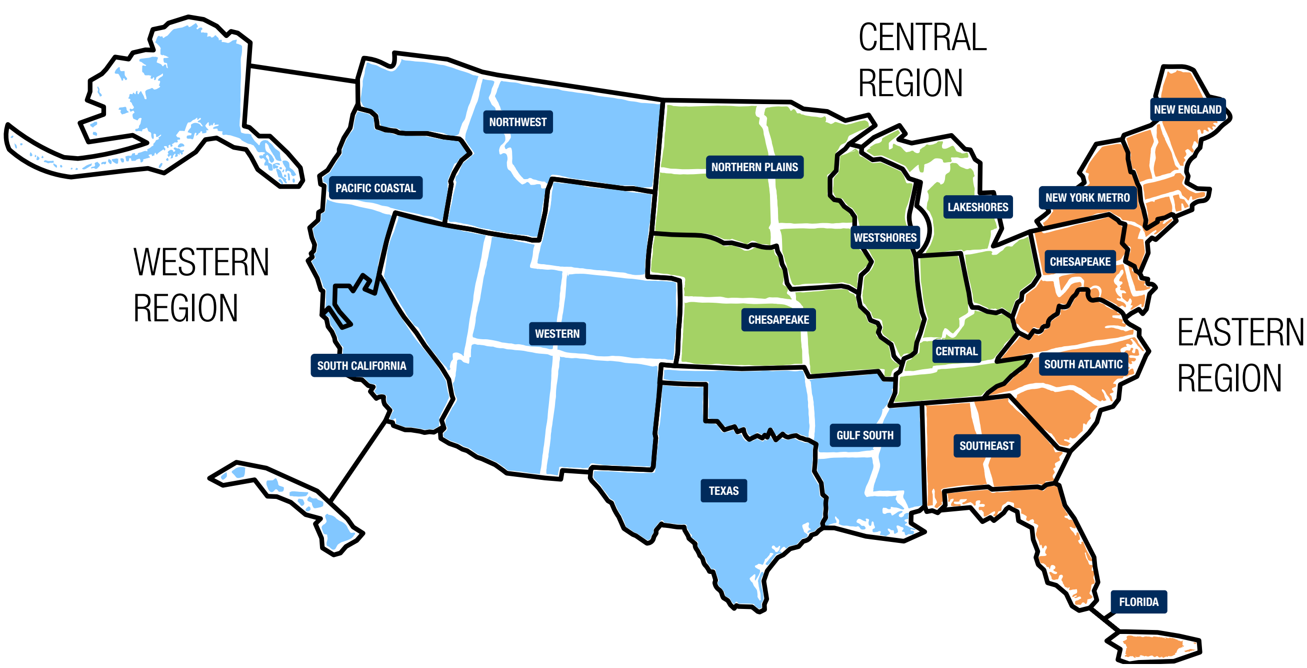


Figure 2. Processing Divisions

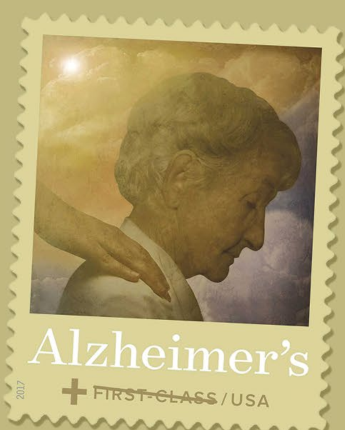


Semipostal Stamps

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.

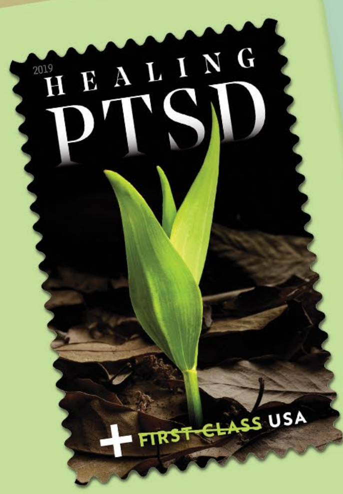
In FY 2025, funds generated from semipostal stamps relate to the date range of October 1, 2024, to September 30, 2025. Additionally, funds paid to the organizations relate to the date range of April 1, 2024, to March 31, 2025. The Postal Service sold four semipostal stamps: the congressionally mandated *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 $1.0 million in funds in excess of the postage value in FY 2025. The Postal Service did not deduct any costs in connection with these stamps in FY 2025. The Postal Service distributed approximately $0.8 million (70 percent of the payment amount due based on the time of payment) to the National Institutes of Health within the Department of Health and Human Services and approximately $0.3 million (30 percent) to the Breast Cancer Research Program within the U.S. Department of Defense.



The *Save Vanishing Species* semipostal stamp generated approximately $0.4 million in funds in excess of the postage value in FY 2025. The Postal Service did not deduct any costs in connection with these stamps in FY 2025. The Postal Service distributed approximately $0.4 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 2025. The Postal Service did not deduct any costs in connection with these stamps in FY 2025. 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 $0.2 million in funds in excess of the postage value in FY 2025. The Postal Service did not deduct any costs in connection with these stamps in FY 2025. The Postal Service distributed approximately $0.2 million (100 percent of the payment amount due) in funds to the U.S. Department of Veterans 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. The environmental benefits of the organization's transformation will increase as we move forward. 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. Modernization of our delivery fleet is essential, as we serve more than 170 million addresses across the nation.

Our new next-generation delivery vehicles are on the roads across the country. They have a unique look. Everything about the vehicles was designed for a purpose, making mail and package delivery more efficient and safer for postal drivers. Many these vehicles are battery electric powered. When you see that blue eagle on one of our new vehicles delivering your mail and packages, we hope you also see the Postal Service's commitment to make our operations more sustainable and to benefit our employees, our customers, and the planet we all share.

In FY 2025, the Postal Service continued to work towards our environmental targets. 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 landfills 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 polices 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 Impact Report which provides updates on how we are doing towards our goals, is available at *usps.com/green*.

Election Mail Performance

During the 2024 general election period, the Postal Service delivered. By leveraging increased operational precision, integrated communication, and response processes across the organization, we fortified our commitment to reliably processing, transporting, and delivering the nation's Election Mail when public policymakers or election officials choose to use the mail as a part of their election system and when citizens choose to use our services to participate in an election. The Postal Service works with a nationwide patchwork of state and local policymakers and with nearly 8,000 local election offices. In 2024, we built on our prior performance in the 2020 and 2022 elections, providing an efficient, reliable service for the American people.

In 2022, we created a cross-functional Election and Government Mail Services team dedicated to formalizing and centralizing proven strategies, processes, and procedures on a year-round basis. The team facilitates an education and compliance program to ensure that employees are fully trained – and applying – policies and procedures to properly handle mail-in ballots and other Election Mail. Additionally, the team is responsible for providing outreach to local, state, and federal election officials and corresponding mail service providers to provide education on how to use the mail effectively. During the 2024 general election period, we delivered more than 99 million ballots to and from voters. We successfully processed, transported, and delivered 99.88 percent of ballots from voters to election officials within seven days, and 99.64 percent within five days. On average, ballots from voters back to local boards of elections were delivered in one day.

Additional steps taken to deliver Election Mail safely, securely, and on time included:

- Utilizing stakeholder feedback and incorporating lessons learned to inform future actions.
- Enhancing training programs with information campaigns, daily communications, senior leadership awareness speeches, and internal audits across facilities.
- Addressing real-time performance during the election mail cycle through a variety of integrated communications across internal and external stakeholders.
- Designating election crimes coordinators at field offices to address security concerns and criminal incidents, in addition to in-person monitoring of Election Mail processing at our facilities.

We worked with 7,938 local boards of elections and election officials nationally to prepare for planned election events through more than 19,200 meetings, phone calls, or emails.

During the general election time period, Postal inspectors and other USPIS personnel conducted more than 5,000 Election Mail Inspections, reviews of processing operations to evaluate for security and delays, at an average of 174 facilities a day.

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 2025, the Postal Inspection Service continued 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 124 additional Inspection Service personnel were deployed to these surge locations, where they conducted intensive 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 in 2023, the Inspection Service has noted a 57 percent reduction in reports of robberies of letter carriers, a 15 percent reduction in high-volume mail thefts, and a 25 percent reduction in mail theft complaints.

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 2025, the Inspection Service conducted the fifth phase of its Southwest Border Initiative to intercept drug parcels at high-traffic points along the southwestern border. This phase recently concluded, therefore seizures are still being calculated as parcels await judicial actions. Two similar operations in the Caribbean led to seizures of approximately 490 kilograms of cocaine, 18 kilograms of fentanyl, seven firearms, and over $210,000 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 a total of 153 task force officers from state and local law enforcement agencies and departments throughout the United States.

The Postal Inspection Service remains dedicated to protecting the most vulnerable populations, particularly older Americans, by aggressively investigating crimes that seek to exploit them. This includes schemes such as lottery and sweepstakes scams, romance scams, cryptocurrency investments, and inheritance fraud. The Inspection Service also continues to work closely with federal, state, and local law enforcement to identify and dismantle criminal networks that exploited the usage of COVID-19 pandemic related benefits and assistance.

The Inspection Service is committed to its public education and prevention efforts to ensure communities are informed and aware of current scams. During FY 2025, postal inspectors resolved 460 mail fraud cases and initiated over 400 new investigations. Active investigations under this program investigated losses that were estimated at an excess of $14 billion.

The Postal Service 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 the Inspection Service during FY 2025 aimed to reduce lost revenue by combating the use of counterfeit postage and stamps. 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 21.6 million individual counterfeit stamps seized during FY 2025, representing almost $18.1 million in potential lost Postal Service revenue.

Facility security remains a high priority for the Inspection Service and was an additional point of focus in FY 2025. In support of the Delivering for America plan to redesign and reorganize the Postal Service distribution network, Inspection Service personnel conducted risk assessments and provided security recommendations for new and existing distribution centers.

To learn more about USPIS, visit *uspis.gov*.

Continuity and Preparedness

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 every day, even during local, regional, or national disruptions to government services. The Postal Service Continuity and Preparedness group implements standardized integrated emergency management planning materials, protocols, and procedures that enable Postal operations to respond more effectively 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/or operations are threatened or directly affected by natural, man-made, or technological disasters.

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 2025 to re-establish service quickly in response to severe weather across the Midwest and Southern regions, wildfires across the Pacific Northwest and in Southern California, mercury spills in Indiana and Nevada, and the impacts of Hurricanes Helene and Milton.

Key Financial and Operating Statistics

Financial History Summary

(in millions)		FY 2025		FY 2024		FY 2023
Operating results						
Total revenue[1]	$	80,581	$	79,547	$	78,383
Operating expenses						
Compensation and benefits[2]		55,781		54,078		52,853
Retirement benefits[3]		10,342		10,427		10,001
Workers' compensation		2,699		3,799		538
Transportation		8,393		8,815		10,111
Other operating expenses		12,567		12,346		11,884
Total operating expenses	$	89,782	$	89,465	$	85,387
Loss from operations	$	(9,201)	$	(9,918)	$	(7,004)
Investment and interest income (expense), net		223		398		526
Net loss	$	(8,978)	$	(9,520)	$	(6,478)
Financial position						
Cash and cash equivalents[4]	$	8,210	$	4,617	$	8,055
Restricted cash		5,145		2,071		1,579
Investments[5]		588		12,849		11,988
Property and equipment, net		19,926		18,525		16,254
All other assets		7,868		7,505		7,413
Total assets	$	41,737	$	45,567	$	45,289
Workers' compensation liability		17,445		16,337		13,956
Debt		15,000		15,000		13,000
Retirement benefits		31,099		27,292		22,736
All other liabilities		19,803		19,570		18,709
Total liabilities	**$**	**83,347**	**$**	**78,199**	**$**	**68,401**
Total net deficiency	**$**	**(41,610)**	**$**	**(32,632)**	**$**	**(23,112)**

[1] *Includes non-operating income such as sale of land and buildings, sale of miscellaneous equipment, and sale of motor vehicles.*

[2] *Excludes Federal Employees Retirement Systems (FERS) normal costs, amortization of unfunded retirement benefits, and workers' compensation.*

[3] *Includes FERS normal costs and amortization of unfunded retirement benefits.*

[4] *Cash and cash equivalents are unrestricted.*

[5] *Excess cash and restricted cash, available and not immediately necessary for operations, is invested in U.S. Treasury securities with maturity dates of one year or less. Includes short-term investments of $9.5 billion and $8.8 billion, on September 30, 2024 and 2023, respectively, and restricted investments of $588 million, $3.3 billion and $3.2 billion on September 30, 2025, 2024, and 2023, respectively.*

Revenue, Pieces and Weight Statistics

(in millions of units indicated, unaudited)	FY 2025	FY 2024	FY 2023
First-Class Mail[1]			
Revenue	$ 25,769	$ 25,399	$ 24,584
Number of pieces	42,049	44,277	45,982
Weight, pounds	2,218	2,309	2,371
Marketing Mail[2]			
Revenue	$ 15,734	$ 15,384	$ 15,081
Number of pieces	56,756	57,520	59,424
Weight, pounds	4,050	4,296	4,654
Shipping and Packages[3]			
Revenue	$ 32,580	$ 32,265	$ 31,635
Number of pieces	6,837	7,252	7,060
Weight, pounds	13,133	14,353	13,483
International Mail			
Revenue	$ 1,265	$ 1,446	$ 1,571
Number of pieces	250	289	321
Weight, pounds	174	206	226
Periodicals			
Revenue	$ 882	$ 909	$ 923
Number of pieces	2,443	2,746	2,993
Weight, pounds	698	791	883
U.S. Postal Service Mail[4]			
Number of pieces	340	358	374
Weight, pounds	54	60	63
Free Matter for the Blind[5]			
Number of pieces	20	14	20
Weight, pounds	7	6	8
Other services – revenue[5]	$ 4,223	$ 4,134	$ 4,392
Postal Service totals			
Operating revenue	**$ 80,453**	**$ 79,537**	**$ 78,186**
Number of pieces	**108,695**	**112,456**	**116,174**
Weight, pounds	**20,334**	**22,021**	**21,688**

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.

[1] *Excludes First-Class Mail Parcels.*

[2] *Excludes Marketing Mail Parcels.*

[3] *See Shipping and Packages and Other Services Statistics table on the following page.*

[4] *No revenue is received or recorded for this category of mail.*

[5] *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

(in millions of units indicated, unaudited)	FY 2025	FY 2024	FY 2023
Priority Mail Express			
Revenue	$ 607	$ 642	$ 714
Number of pieces	19	21	24
Weight, pounds	20	21	24
First-Class Packages[1]			
Revenue	$ —	$ —	$ 5,845
Number of pieces	—	—	1,363
Weight, pounds	—	—	534
Priority Mail			
Revenue	$ 5,776	$ 7,106	$ 11,253
Number of pieces	527	698	1,081
Weight, pounds	1,296	1,755	2,905
Parcel Select Mail (including USPS Connect Local) and Marketing Mail Parcels			
Revenue	$ 8,919	$ 10,528	$ 10,408
Number of pieces	2,931	3,733	3,646
Weight, pounds	7,523	8,827	8,581
Parcel Return Service Mail			
Revenue	$ 105	$ 195	$ 211
Number of pieces	30	58	63
Weight, pounds	69	137	149
Package Services			
Revenue	$ 922	$ 906	$ 893
Number of pieces	400	426	435
Weight, pounds	855	887	908
USPS Ground Advantage[1]			
Revenue	$ 16,251	$ 12,888	$ 2,311
Number of pieces	2,930	2,316	448
Weight, pounds	3,370	2,726	382
Total shipping and packages			
Revenue	**$ 32,580**	**$ 32,265**	**$ 31,635**
Number of pieces	**6,837**	**7,252**	**7,060**
Weight, pounds	**13,133**	**14,353**	**13,483**

(in millions of units indicated, unaudited)		FY 2025		FY 2024		FY 2023
Other services						
Certified Mail						
Revenue	$	798	$	709	$	650
Number of articles		160		157		156
Return Receipts						
Revenue	$	364	$	345	$	296
Number of articles		114		126		111
USPS Tracking						
Revenue	$	1	$	1	$	1
Number of articles		2		4		3
PO Box Services						
Revenue	$	1,451	$	1,473	$	1,462
Money Orders						
Revenue	$	191	$	197	$	186
Number of articles		54		58		63
Insurance						
Revenue	$	47	$	56	$	69
Number of articles		5		5		8
Shipping and mailing supplies						
Revenue	$	113	$	117	$	116
Number of articles		42		44		44
Miscellaneous other services revenue	$	1,258	$	1,236	$	1,612
Total other services revenue	**$**	**4,223**	**$**	**4,134**	**$**	**4,392**

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.

[1] *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

(in actual units indicated, unaudited)	FY 2025	FY 2024	FY 2023
Post Offices, stations and branches			
Postal Service-managed			
Post Offices	26,147	26,207	26,257
Stations, branches, and carrier annexes	4,825	4,841	4,856
Total Postal Service-managed	30,972	31,048	31,113
Contract Postal Unit	1,356	1,600	1,650
Village Post Offices	243	306	350
Community Post Offices	336	359	375
Total offices, stations, and branches	**32,907**	**33,313**	**33,488**
Residential delivery points			
City	87,646,135	86,889,755	86,046,287
Rural	50,740,854	49,628,045	48,571,058
PO Box	16,130,673	16,231,913	16,164,282
Highway Contract	3,270,987	3,217,193	3,175,593
Total residential delivery	**157,788,649**	**155,966,906**	**153,957,220**
Business delivery points			
City	7,943,488	7,904,330	7,849,391
Rural	1,919,367	1,878,883	1,836,691
PO Box	2,652,905	2,744,145	2,850,724
Highway Contract	84,942	84,454	83,570
Total business delivery	**12,600,702**	**12,611,812**	**12,620,376**
Total delivery points	**170,389,351**	**168,578,718**	**166,577,596**
Change in delivery points served	**1,810,633**	**2,001,122**	**1,673,504**

Number of Routes by Type of Delivery

(in actual units indicated, unaudited)

Route	FY 2025	FY 2024	FY 2023
City	141,365	142,865	142,979
Rural	85,396	83,017	81,726
Contract Delivery Services	9,586	9,579	9,639
Total	**236,347**	**235,461**	**234,344**

Postal Vehicle Inventory

(in actual units indicated, unaudited)

Vehicle type	FY 2025	FY 2024	FY 2023
Delivery and collection (0.5-2.5 tons)	234,004	232,241	225,310
Mail transport (tractors and trailers)	12,337	9,279	5,440
Mail transport (5-11 tons)	2,588	2,603	2,335
Administrative and other	6,235	6,460	6,430
Service (maintenance)	4,623	4,540	4,470
Inspection Service and law enforcement	2,953	2,771	2,518
Total	**262,740**	**257,894**	**246,503**

Real Estate Inventory

(in actual units indicated, unaudited)

Real estate inventory	FY 2025	FY 2024	FY 2023
Owned properties	8,529	8,515	8,500
Owned interior square feet	195,875,125	195,625,268	195,316,449
Leased properties	22,734	22,798	22,873
Leased interior square feet	86,874,663	87,119,304	86,479,853
GSA[1]/other government properties	288	289	289
GSA[1]/other government interior square feet	1,658,298	1,687,909	1,689,201

[1] *General Services Administration.*

Real Estate Inventory Actions

(in actual units indicated, unaudited)

Real estate inventory actions	FY 2025	FY 2024	FY 2023
Lease actions (alternate quarters, new leases, and renewals)	5,337	4,618	4,832
Property disposals[1]	—	2	5
New construction[2]	41	53	77
Repair and alteration projects	42,950	53,444	54,742
Repair and alteration expense project totals (in thousands, rounded)	$ 373,157	$ 362,683	$ 320,193
Repair and alteration capital projects	4,162	3,835	3,749
Repair and alteration capital project totals (in thousands, rounded)	$ 1,471,554	$ 1,188,779	$ 652,569

[1] *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.*

[2] *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

(actual numbers, unaudited)	FY 2025	FY 2024	FY 2023
Headquarters (HQ) and HQ-related employees			
Headquarters	8,027	8,021	7,666
Headquarters – field support units	2,817	2,811	2,839
Inspection Service	2,354	2,323	2,290
Inspector General	883	913	970
Total HQ and HQ-related employees	**14,081**	**14,068**	**13,765**
Field employees			
Area offices	34	39	46
Postmasters/installation heads	13,726	13,701	13,691
Supervisors/managers	27,770	27,771	26,611
Professional administration and technical personnel	1,914	1,931	1,979
Clerks (including nurses)	120,928	126,391	127,003
Mail handlers	46,764	46,077	45,131
City delivery carriers	178,026	178,559	175,011
Motor vehicle operators	12,396	11,695	10,967
Rural delivery carriers – full-time	81,785	79,512	78,266
Building and equipment maintenance personnel	28,471	28,686	27,930
Vehicle maintenance employees	5,366	5,294	5,069
Total field employees	**517,180**	**519,656**	**511,704**
Total career employees	**531,261**	**533,724**	**525,469**
Pre-career employees			
Casuals	56	59	64
Postal support employees	15,030	18,258	22,878
Non-bargaining temporary	209	272	243
Rural part-time	46,870	49,737	49,105
Postmaster relief and leave replacements	1,623	1,727	1,725
City carrier assistant	23,921	29,926	33,371
Mail handler assistant	5,522	5,972	7,237
Total pre-career employees	**93,231**	**105,951**	**114,623**
Total employees	**624,492**	**639,675**	**640,092**

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 employee's 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 2024. 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 2024 Reportable Excess Earnings	CY 2024 Bonus or Other Payment
Louis DeJoy	$ 93,465	$ —
Isaac S. Cronkhite	89,947	24,544
Douglas A. Tulino	82,585	2,516
Scott R. Bombaugh	80,816	26,612
Joshua D. Colin	79,572	14,530
Thomas J. Marshall	78,316	24,112
Pritha Mehra	78,316	24,112
Steven W. Monteith	70,819	16,993
Joseph Corbett	67,923	14,097
Luke T. Grossmann	57,208	24,740
Ronnie J. Jarriel	55,081	36,940
Michael J. Elston	21,155	21,940
Leslie E. Johnson-Frick	20,652	37,308
Peter Routsolias	18,339	20,440
Eduardo H. Ruiz	18,072	20,430
Robert Cintron	18,072	20,430
Todd S. Hawkins	17,339	19,440
Dane A. Coleman	17,339	19,440
Angela H. Curtis	17,056	19,414
Mark E. Wilson	16,891	39,966
Benjamin P. Kuo	16,852	19,903
Thomas J. Blum	15,931	21,716
Shibani S. Gambhir	15,930	23,911
John J. DiPeri	14,881	23,159
Linda M. Malone	14,839	16,940
Gary R. Barksdale	14,572	16,930

Executive Name	CY 2024 Reportable Excess Earnings	CY 2024 Bonus or Other Payment
Sharon D. Owens	14,572	16,930
Elvin Mercado	14,572	16,930
Scott P. Raymond	14,198	19,726
Shavon L. Keys	13,574	23,804
Steve M. Dearing	12,931	18,716
Sheila B. Holman	11,851	17,142
Jennifer D. Utterback	11,316	21,546
Robert H. Raines Jr.	10,930	18,911
Heather L. Dyer	10,651	18,632
Gary C. Reblin	9,839	11,940
Linda K. Crawford	9,802	20,611
Peter R. Pastre	9,799	18,601
Angela D. Lawson	9,285	17,924
Judith A. De Torok	8,816	19,046
William E. Koetz	8,651	16,632
Marc D. McCrery	8,574	18,804
Jeffery A. Adams	6,731	19,046
Mark A. Guilfoil	3,240	11,695
Rajinder Sanghera	2,475	20,783
Cara M. Greene	2,181	11,578
Steven A. Darragh	1,668	18,799
Larry R. Wagener Jr.	435	21,279
Adyani Torres	307	17,781

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.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FY 2025 Performance Report and FY 2026 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 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 2025 Performance Report, the FY 2025 actual outcomes, the FY 2026 targets, and the plans to achieve them.

These targets are aligned with the FY 2026 Integrated Financial Plan (IFP), which includes planned revenue and expenses for FY 2026. 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 2022-FY 2025 and targets for FY 2025-FY 2026 for each measure.

FY 2025-FY 2026 Targets and FY 2022–FY 2025 Actuals for Corporate-wide Performance Outcomes

Corporate Performance Outcome: High-Quality Service[1]

Measure	FY 2026 Target	FY 2025 Actual	FY 2025 Target	FY 2024 Actual	FY 2023 Actual	FY 2022 Actual
Single-Piece First-Class Mail Two-Day	87.00	83.19	87.00	86.44	90.68	91.34
Single-Piece First-Class Mail Three-to-Five-Day	81.50	72.76	80.00	72.61	83.52	83.62
Presort First-Class Mail Overnight	94.00	93.10	94.00	93.30	94.75	94.92
Presort First-Class Mail Two-Day	92.00	91.81	92.00	91.40	93.68	93.36
Presort First-Class Mail Three-to-Five-Day	90.75	87.83	88.00	86.66	92.10	91.49
First-Class Mail Letter and Flat Composite (FCLF)	89.00	86.15	88.00	86.47	91.43	91.00
Marketing Mail and Periodicals Composite	94.00	93.09	94.00	93.53	94.20	92.86
Market Dominant Composite[2,3,4]	92.00	90.22	91.40	90.55	93.18	92.14

Corporate Performance Outcome: Excellent Customer Experience

Measure	FY 2026 Target	FY 2025 Actual	FY 2025 Target	FY 2024 Actual[5]	FY 2023 Actual	FY 2022 Actual
Customer Experience Composite Index	78.52	77.90	79.41	77.80	76.93	72.72
Business Service Network (BSN)	98.00	97.91	98.00	97.77	98.87	98.20
Point of Sale (POS)	88.94	88.69	87.96	88.01	87.10	86.34
Delivery	75.50	74.24	80.94	75.26	75.85	73.91
Customer Care Center (CCC)	85.00	84.80	85.00	85.39	84.52	70.75
Customer 360 (C360)	48.15	47.45	48.15	46.29	42.21	38.44
usps.com	76.95	73.62	76.95	75.53	72.79	73.62
Business Mail Entry Unit (BMEU)	96.00	96.31	96.00	95.21	96.89	96.48

Corporate Performance Outcome: Safe Workplace and Engaged Workforce

Measure	FY 2026 Target	FY 2025 Actual	FY 2025 Target	FY 2024 Actual	FY 2023 Actual	FY 2022 Actual
Total Accident Rate	13.25	13.36	13.25	13.48	13.48	12.39
Grand Mean Engagement Score[6]	N/A	3.56	N/A	3.50	3.47	3.50
Engagement Score	72.00	71.00	72.00	70.00	N/A	N/A
Engagement Survey Response Rate	N/A	17	N/A	19	17	25

Corporate Performance Outcome: Financial Health[7]

Measure	FY 2026 Target	FY 2025 Actual	FY 2025 Target	FY 2024 Actual	FY 2023 Actual	FY 2022 Actual
Controllable (loss) Income ($ in billions)	$ (1.80)	$ (2.70)	(1.10)	(1.80)	(2.26)	(0.47)

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

[1]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).

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

[3]The FY 2022-FY 2025 actual scores are sourced from the Service Performance Measurement (SPM) system.

[4]FY 2022-FY 2025 actuals are provided for comparability purposes only.

[5]The FY 2024 actuals have been corrected in this table for accuracy.

[6]In FY 2022-FY 2025, 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.

[7]In FY 2024, the Postal Service switched to a new vendor and engagement survey. As a result, the engagement scores for FY 2022-FY 2023 and FY 2024 target were recalculated to adjust for comparability purposes.

[8]The FY 2026 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 2025 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 2025 Performance Report

The following table includes both FY 2025 Actuals (unmitigated) and FY 2025 Targets for the High-Quality Service measures.

Measure	FY 2025 Actual	FY 2025 Target	Delta (PP)[1]
Single-Piece First-Class Mail Two-Day	83.19	87.00	(3.81)
Single-Piece First-Class Mail Three-to-Five-Day	72.76	80.00	(7.24)
Presort First-Class Mail Overnight	93.10	94.00	(0.90)
Presort First-Class Mail Two-Day	91.81	92.00	(0.19)
Presort First-Class Mail Three-to-Five-Day	87.83	88.00	(0.17)
First-Class Mail Letter and Flat Composite (FCLF)	86.15	88.00	(1.85)
Marketing Mail and Periodicals Composite	93.09	94.00	(0.91)
Market Dominant Composite	90.22	91.40	(1.18)

Note: Pursuant to sec. 210(c) of the PSRA, the Postal Service developed in FY 2023 a publicly available, interactive "Performance Dashboard" providing information on Market Dominant products that is updated on a weekly basis.

[1]PP refers to the percentage point difference between FY 2025 Actuals and FY 2025 Targets.

Historically, the Postal Service has prioritized providing service within static, defined business rules without due consideration for financial self-sufficiency. This placed the organization in a dire financial position, with aging facilities, vehicle fleets well past their life expectancy, and a growing deficit that would have made it impossible to maintain a high-quality of service for the foreseeable future, where extraordinary measures were taken while incurring escalated costs to deliver within the service standard. Prior to the implementation of the Delivering for America plan, the Postal Service incurred a total loss of $87 billion from 2007 to 2020 while also not meeting unrealistic service standards in many of those years. These factors, coupled with declines in mail volume and increases in package volumes, have put the Postal Service's aging legacy 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 was developed to set direction toward solid financial footing and a logically designed end-to-end processing, transportation, and delivery network to make it possible to achieve long-term success in consistently meeting high-quality service targets.

In FY 2025, the Postal Service continued implementing the Delivering for America plan to achieve the goal of providing high-quality service in a financially sustainable manner. We have successfully reduced processing and delivery work hours through efficiency improvements, reduced transportation costs by increasing truck utilization, and minimized reliance on costly air service, all while investing additional hours in maintenance to address long standing deficiencies in automation equipment and building conditions. We have vacated excess facilities while investing in new modern facilities, improving processing capacities, aligning operations with changing demands of the marketplace, and improving working conditions for our employees. We also continued the insourcing activities of our Surface Transfer Centers (STC) and Terminal Handling Services (THS) into our Regional Processing and Distribution Center (RPDC) network, restaffing these previously contracted operations with Postal employees and in some regions transitioning transportation from a contractor-driven model to a Postal employee-based fleet.

While much has been accomplished over the last year under the Delivering for America plan, those accomplishments have not come without challenges and misinformed resistance from stakeholders committed to the failing status quo. Maintaining the momentum at this stage in the plan is essential for the survival of the Postal Service as a matter of financial and operational necessity. The organization is continuing to work towards the successful implementation of a long overdue network redesign, bringing the Postal Service network into a model based on operational precision to consistently deliver high-quality service to the American people. As with any other transformation of this magnitude, execution challenges have and will continue to arise, however we remain committed to addressing issues as appropriate and adapting when necessary to ensure that the initiatives are achieving the intended results.

The targets for FY 2025 were developed with respect to the expected capabilities of our current network and were set above the FY 2024 performance actuals, demonstrating the Postal Service's goal for continuous improvement during a year of rapid, continuous transitions. While the Postal Service did not meet its service targets for FY 2025, improvement in some specific product performance was achieved compared to FY 2024, including the Single-Piece First-Class Mail Three-to-Five-Day, First-Class Presort Mail two-day, and First-Class Presort Mail three-to-five day products.

The Postal Service did not meet its service targets for FY 2025 because of several factors including: transit realignment; span of control positioning; alignment of Service Standards and Regional Transportation Optimization (RTO); and the effect of environmental disruptions.

Transit Realignment. In FY 2025, as we continued forward with the upgrading of our network and implementation of new service standards, we experienced temporary shifts in mail processing flows, operations, and transportation. We also adjusted dispatch locations to allow for overdue capital investments and repairs to support our existing processing facilities and opened several new processing buildings. During the transition period, we had to adjust our transportation schedules, staffing, facilities, and contracts, which ultimately introduced temporary service deviations and led to some transit failures. The final network upgrade will improve efficiency of our transportation in concert with our revised service standards that expanded the reach of First-Class Mail and other products beginning in July.

Span of Control Positioning. The changes required to modernize our processing and transportation network are complex and require significant oversight to execute effectively. At the beginning of FY 2025, the Postal Service had 13 Mail Processing Divisions, where some of the larger divisions had nearly 40 processing facilities which was diminishing the span of oversight necessary to effectively transition facilities through the network transformation. It became clear that smaller, more nimble divisions were necessary. In January 2025 we added four Mail Processing Divisions to the original 13, creating smaller, more nimble divisions, providing greater engagement in plant operations and change management at the local level, as division directors and support positions have fewer facilities under their purview. Some of the existing divisions were renamed in alignment with the revised structure.

To further improve engagement and accountability, the Postal Service added a third Central Processing region in July, reducing the size and span of each of the existing regions, and reestablished the Chief Operating Officer position in August to align core lines of operations in support of driving service and performance excellence. These changes will continue to drive and align the organization to deliver service excellence for the American public but will result in temporary service impacts as they are implemented.

Alignment of Service Standards and Regional Transportation Optimization (RTO). In our FY 2024 report, we indicated that we had recently submitted a request for an advisory opinion from the PRC regarding Operational and Service Standards to Meet Statutory Requirements for Reliable, Efficient High-Quality Service and Financial Sustainability Through an Integrated Mail and Package Network. This request included our RTO initiative. RTO, which evolved from the Local Transportation Optimization (LTO) that was piloted in FY 2024, aims to reduce underutilized trips to and from post offices over 50 miles from a RPDC, allowing us to dispatch earlier from postal processing facilities, allowing our logistics network to reach further, and enhancing customer service for mail and shipping products. Based on the LTO pilots, we determined that service standard changes were necessary and changes in the operational approach were needed to optimize transportation operations in a financially sustainable manner. The Postal Service subsequently requested an advisory opinion from the Postal Regulatory Commission. We received the advisory opinion from the Commission on January 31, 2025, and implemented the service standard changes in two phases, the first starting on April 1, 2025, and implementing the changes in full on July 1, 2025.

Environmental disruptions. Given the complexity and scale of our 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 navigated weather-related challenges such as Hurricanes Helene and Milton in FY 2025 and the severe wildfires in Southern California, which led to road closures and power outages at processing facilities and damage to delivery 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 2025, Single-Piece First-Class Mail Two-Day and Single-Piece First-Class Mail Three-to-Five Day scores fell short of targets by 3.81 and 7.24 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 0.90, 0.19, and 0.17 percentage points, respectively. While the Three-to-Five Day Single Piece, Two-Day Presort, and Three-to-Five Day Presort scores did not achieve their targets, all three product groups improved over FY 2024. The operational change of running new operating plans in tandem with changes to the transportation system was a contributing factor to this performance. Service performance for Marketing Mail and Periodicals Composite was 93.09 percent. This was 0.91 percentage points below the target.

The Postal Service continues to refine operations across the network to improve service performance. Although certain changes have experienced some transient issues upon implementation, we continue to work diligently to address any temporary impacts and progress towards the future state operating network. The new processing infrastructure and operational efficiencies will create a more resilient, reliable, and sustainable Postal Service in the long term, despite the current, temporary impacts to service performance as implementation continues.

Reference the FY 2025–FY 2026 Targets and FY 2022–FY 2025 Actuals for Corporate-wide Performance Outcomes table on page 38 for historical performance.

FY 2026 Performance Plan

The following table states the FY 2026 targets.

Measure	FY 2026 Target
Single-Piece First-Class Mail Two-Day	87.00
Single-Piece First-Class Mail Three-to-Five-Day	81.50
Market Dominant Composite	92.00
First-Class Mail Letter and Flat Composite (FCLF)	89.00
Presort First-Class Mail Overnight	94.00
Presort First-Class Mail Two-Day	92.00
Presort First-Class Mail Three-to-Five-Day	90.75
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 plan. The performance plan for FY 2026 will continue to follow that path, as it did in FY 2025, with the expectation of more successful execution. The plan includes:

- Continuing to execute changes to processing and transportation across the network.
- Remediating temporary disruptions to operations.
- Preparing for the Peak season.
- Investing in infrastructure.
- Stabilizing and empowering our workforce.

Continuing to execute changes to processing and transportation across the network. We will continue our rollout of a redesigned, well-integrated, and logically sequenced network by activating more RPDCs, Local Processing Centers (LPCs), and S&DCs in FY 2026. We will continue redesigning our transportation operations to eliminate waste and efficiently integrate with network operations. Standard work instructions to support operational excellence are being developed and deployed to support achieving operational excellence.

Remediating temporary disruptions to operations. The Postal Service continues to prioritize operational excellence and align resources accordingly across several functions. In FY 2025, we created the Chief Performance Officer position as part of the Executive Leadership Team. The Chief Performance Office drives performance, network, and service improvements throughout the organization and reinforces our commitment to excellence and sustainable success for years to come.

Preparing for the Peak season. Service performance is measured as a percentage of the volume arriving within the service standard. A greater volume presents more opportunity for higher performance, therefore Peak season represents the greatest opportunity for service improvement for the Postal Service. Over the past four years, we have undertaken significant activities to modernize facilities, increase capacities, and streamline our network. These changes position us to prepare for Peak without the need for significant numbers of temporary annexes or employees.

Additional processing capacity will be activated in advance of the FY 2026 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 capabilities within our facilities.

Investing in infrastructure. Providing high-quality service requires the organization to have the requisite automation, IT systems, equipment, and processes in place to drive high performance. In support of the network redesign, we will continue to make significant capital investments in FY 2026. These investments include additional automated package sorting equipment for 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 $7.6 billion towards modernizing the delivery vehicle fleet, including the acquisition of over 100,000 new vehicles. An additional $5.8 billion has been allocated to modernizing processing facilities, while $0.24 billion has gone towards operational technology and support. Technology modernization to upgrade software systems received $1.1 billion, and $1.4 billion was directed toward expanding package capacity.

Stabilizing and empowering our workforce. The Postal Service recognizes our employees as our greatest asset. To support them, we have invested in employee recruitment, retention, and skill development, while promoting clear career paths and diversity. In FY 2025, we agreed to contract terms with multiple labor unions, providing cost certainty and stability. As part of our efforts to stabilize and empower our employees, 50 career conferences were held between May and August with thousands of attendees who attended off the clock to learn about additional job opportunities and understand potential career paths, which leads to developing a strong pipeline of future leaders in support of our long-term strategies. As laid out in the Delivering for America 2.0 — Fulfilling the Promise plan, we will continue to scale the Postal Vehicle Operator (PVO) program, which involves insourcing transportation operations that were previously outsourced. We converted six sites in FY 2025 and will continue to expand where appropriate in FY 2026.

Although there is not a single, easy solution to resolve all service impacts, we are confident that, when combined, these efforts will allow for more efficient processing, transportation, and delivery of the mail to improve overall service performance.

Reference the FY 2025–FY 2026 Targets and FY 2022–FY 2025 Actuals for Corporate-wide Performance Outcomes table on page 38 for historical performance.

Excellent Customer Experience

Excellent customer experience is foundational to the Postal Service's success. To evaluate our customers' 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 Sales (POS), Delivery, and Customer 360 (C360). These surveys are defined below.

To calculate the FY 2025 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 call 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 general 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.

There were no methodology changes in FY 2025 that affected the measurement of key metrics in the CX Composite Index.

FY 2025 Performance Report

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

Metric	FY 2025 Actual (%)	FY 2025 Target (%)	Delta (PP)[1]
CX Composite Index	77.90	79.41	(1.51)
BSN	97.91	98.00	(0.09)
POS	88.69	87.96	0.73
Delivery	74.24	80.94	(6.70)
CCC	84.80	85.00	(0.20)
C360	47.45	48.15	(0.70)
usps.com	73.62	76.95	(3.33)
BMEU	96.31	96.00	0.31

[1]PP refers to the percentage point difference between FY 2025 Actuals and FY 2025 Targets.

In FY 2025, we improved our overall CX Composite Index score to 77.90 percent from the previous year's 77.80 percent. Despite improvements in four of the CX metrics from their FY 2024 scores, the FY 2025 CX Composite target of 79.41 percent was not met due to five component surveys missing their respective targets: CCC, BSN, *usps.com*, C360, and Delivery.

Three CX touchpoints showed especially strong improvements in their FY 2025 scores compared to FY 2024. C360 improved its Overall Satisfaction (OSAT) score by 1.16 percentage points, BMEU improved its OSAT score by 1.10 percentage points, and POS improved its OSAT score by 0.68 percentage points. This is the fourth consecutive year that POS and C360 have shown continued improvement in their OSAT scores.

The following sections address FY 2025 actual scores, FY 2025 targets, accomplishments achieved throughout the year, and other related information for each CX touchpoint metric.

CCC Survey. In FY 2025, we achieved a score of 84.80 percent, a decrease of 0.59 percentage points compared to the FY 2024 score of 85.39 percent and below our FY 2025 target of 85.00 percent by 0.20 percentage points.

In May 2025, the Postal Service migrated the Internet Protocol (IP) telephony system from an on-premises to a cloud-based solution. While the migration was required because the current on-premises solution reached its end of life, we utilized the opportunity to take advantage of a new technology stack that transitions the Interactive Voice Response (IVR) from a menu driven experience to a natural language experience. Prior to migration to the new solution, the year-to-date OSAT score was 85.62 percent, 0.72 percentage points higher than the previous year's OSAT score of 84.90 percent.

However, after migration, the Postal Service saw a decline in OSAT, specifically from the IVR portion of the customer experience, which ultimately led to us missing the CCC survey target. The decline in OSAT was attributed to core functionality issues with recognizing customer responses. Although we anticipated migration to the on-cloud solution would necessitate some system tuning before launch, additional unplanned work was necessary to complete migration. The Postal Service worked closely with all vendors and suppliers to identify, prioritize, and resolve the recognition issues including calibrating the software to better understand the way customers speak.

Despite missing the CCC survey target, we have taken several steps post-migration to address the decline in performance including:

- Escalating the poor performance of the IVR post-migration to senior leadership across multiple USPS organizations.
- Establishing weekly meetings with the vendor to identify and correct areas of opportunity.
- Engaging the vendor to provide dedicated technical experts and resources to analyze high volume areas within the IVR to improve caller experience.
- Holding weekly meetings between the vendor and the tools and technologies team to perform analyses and identify quick wins in the call flow.
- Scheduling a meeting between USPS' and the vendor's senior leadership and engineering teams to analyze and review the performance issues.

The Postal Service will continue to monitor the performance of the IVR and make any necessary improvements.

Additionally, in FY 2025, we continued to train Call Center staff on changes occurring within the organization and to update knowledge articles. A total of 368 knowledge articles were updated, and 11 training topics or classes were administered in FY 2025.

BSN survey. In FY 2025, we achieved a score of 97.91 percent, an increase of 0.14 percentage points compared to the FY 2024 score of 97.77 percent, and below our FY 2025 target of 98.00 percent by 0.09 percentage points.

While the BSN OSAT Score fell short of the FY 2025 target by 0.09 percentage points, the score steadily improved throughout the year. This steady improvement in OSAT 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 the BSN OSAT throughout FY 2026.

In FY 2025, the Headquarters team implemented enhancements to our Customer Relationship Management (CRM) system including automated escalations to management to ensure service requests were resolved timely and also 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, proper investigative techniques/tools, when to update customers on progress, and other methods to improve customer satisfaction.

***usps.com* survey.** In FY 2025, we achieved a score of 73.62 percent, a decrease of 1.91 percentage points compared to the FY 2024 score of 75.53 percent, and below our FY 2025 target of 76.95 percent by 3.33 percentage points.

We continue to utilize customer feedback from survey responses to convey improvements on *usps.com*. By automating the analysis process using natural language processing and grouping together comments with similar themes, we have been able to identify potential website issues faster and more readily act to communicate, share, and respond to customer feedback. While not all the website issues have had quick fixes, as reflected in the OSAT score decline from FY 2024, the process for sharing information has improved due to the data visualization components the analytics team has designed. We anticipate these improved analytics capabilities should enable the prioritization of fixes and a related decrease in website issues. We are also exploring making updates to survey language within the *usps.com* survey program to gather more detailed information from customers about website issues they may encounter.

In FY 2025, the Postal Store redesigned transactional emails to provide customers with more real-time information about the status of their orders, and clearer visibility regarding expected delivery dates of their Postal Store purchase. The redesigned emails allowed the digital team to gain valuable insight into customer behavior and engagement patterns.

BMEU survey. In FY 2025, we achieved a score of 96.31 percent, an increase of 1.10 percentage points compared to the FY 2024 score of 95.21 percent, and exceeded our FY 2025 target of 96.00 percent by 0.31 percentage points.

Enhanced training and Strike teams drove our improved performance in FY 2025, and we anticipate this will continue in FY 2026. New tools have enriched training content, providing visibility and accountability, and guiding continuous process improvements through the sharing of successes and challenges. Recent updates to employee customer support training focused on providing better utilization and understanding of customer-facing tools.

The Electronic Document (eDoc) Adoption Strike Team fostered a cultural shift towards deeper awareness of customer challenges and solutions. The Postal Service leverages technologies, such as Bulk Mail Entry (BME) Bytes, which are short instructional videos, and BME Interactive Simulations, to improve employee proficiency and customer experience. The MyBME dashboard further enhances access to critical information, leading to boosts in operational efficiency and quality support.

Since January 2024, a dedicated Periodicals Strike Team continues to provide guidance on key topics, resulting in a 69 percent reduction in accounts without Statements of Ownership (from 315 to 98) and only 6 confirmed duplicate accounts remaining. The MyBME dashboard has been vital in achieving these improvements by enabling proactive account management. These efforts will continue in FY 2026, and we hope to see continued improvement.

POS survey. In FY 2025, we achieved a score of 88.69 percent, an improvement of 0.68 percentage points compared to the FY 2024 score of 88.01 percent and exceeded our FY 2025 target of 87.96 percent by 0.73 percentage points. This is the fourth consecutive year POS has improved its OSAT score.

We continued to pilot the Customer Display Unit-Quick Retail Survey (CDU-QRS) through July 2025. This effort enabled our customers to provide instant feedback that serves as an informative tool for improvement opportunities and recognizing excellent customer service. The 40 CDU-QRS pilot sites received a total of 3,244,585 customer visits, with 1,576,287 customers responding to the survey with an overall 99.22 percent satisfaction rate through the end of the pilot.

A second pilot phase began at 37 Sorting and Delivery Centers (S&DC) in October 2024. These 37 S&DC pilot sites received 1,924,902 customer visits and 1,077,798 customer responses with a 99.17 percent overall satisfaction rate through the conclusion of the pilot.

After both pilot phases concluded in July 2025, we launched the CDU-QRS nationally. The national overall customer satisfaction for the CDU-QRS, through September 2025, was 99.20 percent, with 98,870,185 customer visits, and 61,932,342 customer responses. The Retail Experience Team will continue the CDU-QRS program through FY 2026. The Team is also seeking approval to launch a recognition program for top performing CDU locations based on quality scores, safety, and delivery metrics. We also look forward to expanding CDU-QRS training to include scenario-based simulations to help units navigate operational challenges in real time. This will ensure all employees are well versed on the initiative and its purpose and will serve as an invaluable resource for strengthening and sustaining exceptional customer service.

Customer satisfaction is our top priority, and we are committed to fostering meaningful engagement between clerks and the customers they serve at the retail window. To align with modernization efforts, in January 2025, the Retail Experience Team created an internal “Perfect Retail Transaction” video in partnership with cross-functional stakeholders. This internal retail video, which launched in May 2025, was designed to inspire clerks to provide exceptional retail service and continued to be distributed and showcased across various internal platforms and on the workroom floors of our facilities throughout the year.

Delivery survey. In FY 2025, we achieved a score of 74.24 percent, a decrease of 1.02 percentage points compared to the FY 2024 score of 75.26 percent and below our FY 2025 target of 80.94 percent by 6.70 percentage points. While the Delivery OSAT score fell short of the FY 2025 target, the score saw steady improvements in the second half of FY 2025. In FY 2025, weather and other natural disasters impacted our ability to meet the challenging delivery target.

In FY 2026, we will remain committed to our extensive plan of procuring and deploying 106,000 total delivery vehicles by 2028. More than 7,000 state-of-the-art delivery vehicles were received in FY 2025. The continued deployment of Next Generation Delivery Vehicles (NGDVs), commercial-off-the-shelf (COTS), and battery electric vehicles (BEVs) in FY 2025 was a pivotal step toward achieving a more sustainable and technologically advanced postal delivery system.

In tandem with leveraging technology, we are implementing strategies to increase employee efficiency and retention, such as increasing use of rural carrier annuitants, who have the necessary knowledge and skills to make immediate material contributions, and limiting work hours for newly hired employees. We are also continuing the national review of our rural routes to increase route efficiency, reduce costs, and reduce mileage. Additionally, a Memorandum of Understanding (MOU) was added to the agreement between the Postal Service and the National Association of Letter Carriers (NALC) that will drive retention within the pre-career hires. This MOU assigns work hour restrictions and a mentorship program to employees in an effort to create a stronger and more positive onboarding process.

C360 survey. In FY 2025, we achieved a score of 47.45 percent, an improvement of 1.16 percentage points compared to the FY 2024 score of 46.29 percent and below our FY 2025 target of 48.15 percent by 0.70 percentage points. This is the fourth consecutive year C360 has improved its OSAT score.

We did not realize the C360 target in FY 2025 due to impacts related to network updates as part of the Delivering for America plan and due to isolated national service delays related to the network and processing and distribution modernization efforts, which included several regional processing facilities receiving new package sorting equipment. In the first half of FY 2025, there were a higher number of Service Requests (SRs) for parcels that were In-Transit, and these SRs historically have a lower OSAT score. Customer satisfaction associated with C360 SRs tend to be driven by operational performance as well as employee behaviors. While service performance improved in the second half of FY 2025 and the number of SRs for parcels that were In-Transit decreased, it is likely that the OSAT score during these periods would have been lower had customer service skills not been able to compensate for operational issues seen early on. Despite the improvement seen in the latter half of the year, it was not enough to achieve the C360 OSAT target.

In FY 2025, we required C360 Refresher Training for all Local Post Office (LPO) users and added new post-release monitoring methods and communications, both of which yielded positive results and also contributed to steady improvements. Our training efforts identified, targeted, and assigned 40,000 users who had previously completed training additional beneficial content refresh training. As a result of this refresher training, the internal quarterly survey of users showed 75.2 percent were satisfied or very satisfied with their knowledge of using the C360 platform, an improvement of 2.6 percent from Quarter 4 of FY 2024. This is the highest satisfaction score we have seen since we started surveying our users.

In FY 2025, we developed a collaborative training program between Customer Relations and Retail and Delivery Operations. This four-hour, in-person training was designed to empower front-line local post office supervisors, postmasters, and managers and focuses on leadership skills, soft skills, such as personal behavior, and participating in role-play exercises to practice resolving real customer issues. This training will continue into FY 2026.

In FY 2025, we also updated certain Service Request types and sub-issues to be handled in "real-time", including real-time resolution and information gathering protocols, aimed at providing information to customers at an earlier point in the process. We improved ease of use through a combination of enhanced handling of Service Requests including using the automation process, providing real time guidance for customers, up-to-the-minute package status notifications, and a redesigned *Email Us* page. We also worked with the USPIS to enhance reporting of mail theft issues, putting blocks in place to identify potential fraudulent postage, and crafting communication to advise customers on their next best step regarding a package flagged for suspicious fraudulent activity. We also added categories of SRs into our IVR system to expand the customer's ability to self-serve through that channel.

Lastly, we instituted several security and data quality measures in our systems such as Multi-Factor Authentication (MFA) and measures to prevent fraudulent creation of Congressional contacts/accounts. We also began use of a tool called Rapid Key, which changes the way users enter customer addresses, by adding a validation process to increase the number of valid addresses in our system.

Reference the FY 2025–FY 2026 Targets and FY 2022–FY 2025 Actuals for Corporate-wide Performance Outcomes table on page 38 for historical performance.

FY 2026 Performance Plan

The following table includes the FY 2026 Targets for the Excellent Customer Experience metrics.

Measure	FY 2026 Target (%)
CX Composite Index	78.52
BSN	98.00
POS	88.94
Delivery	75.50
CCC	85.00
C360	48.15
usps.com	76.95
BMEU	96.00

In FY 2026, 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 consistent customer experience across all channels.

We 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 2026.

We will empower our workforce to prevent undesirable customer experiences by providing actionable data to help them resolve customer pain points and improve customers' experience.

Reference the FY 2025–FY 2026 Targets and FY 2022–FY 2025 Actuals for Corporate-wide Performance Outcomes table on page 38 for historical performance.


UNITED STATES POSTAL SERVICE
UNITED STATES POSTAL SERVICE

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. We have 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:

$$\frac{\textbf{Total Number of Accidents x 200,000}}{\textbf{Exposure Hours}}$$

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 2025 Performance Report

In FY 2025, the total accident rate was 13.36 which is above the target of 13.25. The following table includes both the FY 2025 Actual and FY 2025 Target for the Total Accident Rate.

Measure	FY 2025 Actual	FY 2025 Target	Delta (PP)[1]
Total Accident Rate	13.36	13.25	(0.11)

[1]*PP refers to the percentage point difference between FY 2025 Actuals and FY 2025 Targets.*

Although the Postal Service did not meet our FY 2025 target, we were within just over one tenth of a percent of meeting the target, and we saw a significant improvement in the reduction in total accidents and in motor vehicle accidents throughout the year. This reduction can be attributed to the increased focus on motor vehicle safety, and we will continue these efforts moving forward. Our targeted awareness campaigns showed significant reductions to accident counts representing an 8 percent decrease. Motor vehicle accidents have shown an average of 13 percent reduction each month after the launch of our campaigns.

The following table shows accidents by "type" in FY 2025 and FY 2024 as documented in our accident reporting tool:

Measure	FY 2025	FY 2024	Percent Change (%)
OSHA I&I	27,971	31,666	(11.67)
Non-Recordable	43,140	47,127	(8.46)
Motor Vehicle[1]	29,316	31,879	(8.04)
Total	72,456	79,006	(8.29)

[1]*Motor Vehicle Accidents are included in both the OSHA I&I and non-recordable accident counts.*

Reference the FY 2025–FY 2026 Targets and FY 2022–FY 2025 Actuals for Corporate-wide Performance Outcomes table on page 38 for historical performance.

FY 2026 Performance Plan

The FY 2026 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 2026 Target.

Measure	FY 2026 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, we will consider the safety of our employees in all aspects of the organization, such as new facilities, new equipment, new vehicles, and modified work practices.

Additionally, we will continue to enhance the OSHA Scorecard and the Safety & Health Management tool (SHMT) to meet the needs of their operational partners to provide increased visibility into accident and injury prevention opportunities down to the local level and employee group.

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.

We will continue to empower our 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 2025 Performance Report

In FY 2025, the Postal Pulse Survey engagement score was 71 percent, which is an increase from the previous year, but just below the target score of 72 percent. The response rate was 17 percent, which was lower than the FY 2024 response rate of 19 percent.

The following table shows the FY 2025 actual and target engagement scores.

Measure	FY 2025 Actual (%)	FY 2025 Target (%)	Delta (PP)[1]
Engagement Score (% Agreement)	71	72	(1)

[1]PP refers to the percentage point difference between FY 2025 Actuals and FY 2025 Targets.

Engagement was measured 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.

#	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.

This year, the Postal Pulse Survey was administered from April 8, 2025, through May 16, 2025. Non-bargaining employees received the survey link via postal email on April 8, and each subsequent week until they responded or until May 16 if they did not respond. The Postal Pulse Survey was administered to bargaining-unit employees using two methods: a paper survey delivered to the work unit and via postal email, if available. Employees were encouraged to complete the survey through multiple communication channels including email, scanner alerts, stand-up talks, and internal employee communications. Weekly meetings were conducted to support the administration and response rate email notifications were sent to managers to encourage participation.

At the conclusion of the survey, results were shared with managers through an online results dashboard that shows which actions are most likely to drive engagement within their unit (i.e. engagement drivers), equipping them to develop more effective action plans to maximize employee engagement within their unit. Concurrently with the release of the survey results, live interactive sessions were conducted to instruct managers on how to access the dashboard and leverage the data to develop action plans based on the survey results, as well as providing downloadable job aids accessible to all managers from the Postal Service Intranet.

Based on the survey results, the top five FY 2025 engagement drivers for the organization are listed in the following table. All drivers increased from the previous year.

Engagement Drivers	FY 2025 Actual (%)	FY 2024 Actual (%)	Delta (PP)[1]
I feel that I am part of a team.	58	56	2
I am given opportunities to grow and develop in my current role.	50	48	2
My leadership communicates a clear vision for the future related to the Delivering for America plan.	48	47	1
My opinions matter.	38	37	1
I believe feedback from this survey will be used to make improvements.	37	36	1

[1]PP refers to the percentage point difference between FY 2025 Actuals and FY 2025 Targets.

Reference the FY 2025–FY 2026 Targets and FY 2022–FY 2025 Actuals for Corporate-wide Performance Outcomes table on page 38 for historical performance.

FY 2026 Performance Plan

In FY 2026, the metric target will be an engagement score of 72 percent. The following table states the FY 2026 Target.

Measure	FY 2026 Target (%)
Engagement Score (% Agreement)	72

By setting a goal of 72 percent, we strive to continue to improve on the increase in engagement from FY 2024, while also setting a realistic and attainable goal for FY 2026. We will also take additional steps to attempt to improve the response rate in FY 2026.

In FY 2026, we will continue to build on the initiatives we are executing to achieve our engagement strategic goals:

- 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.
- Reinforcing the standard onboarding process to continue to improve the employee experience.
- 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.

Reference the FY 2025–FY 2026 Targets and FY 2022–FY 2025 Actuals for Corporate-wide Performance Outcomes table on page 38 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 2026 of $8.1 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 2025 the expense was $3.1 billion, and the FY 2026 projected expense will be $3.3 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, RHB top-up payments, 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. While we may not direct these factors, we did appeal to the CSRDF Board of Actuaries to use Postal-specific assumptions for pension mortality and withdrawal rates. The CSRDF Board of Actuaries approved our appeal and updated these rates in their most recent actuarial valuation of the liabilities. 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, 2025 workers' compensation liability and related expense by approximately $1.5 billion. Similarly, a one percent decrease in the discount rate would cause an increase in the September 30, 2025 workers' compensation liability and related expense by approximately $1.8 billion.

The following table includes revenue, controllable income (loss), and net income (loss) and shows planned revenues and expenses by category for FY 2026 and FY 2025, as well as actual data for FY 2022 through FY 2025.

Revenue and Expenses

(in billions, unaudited[1])		FY 2026 Plan (IFP)		FY 2025 Actual		FY 2025 Actual vs FY 2025 Plan		FY 2025 Plan (IFP)		FY 2024 Actual		FY 2023 Actual		FY 2022 Actual
First-Class Mail		26.1		25.8		—		25.8		25.4		24.5		24.0
Marketing Mail		15.6		15.7		0.3		15.4		15.4		15.1		16.0
Shipping and Packages		35.7		32.6		(2.0)		34.6		32.3		31.6		31.3
International		0.7		1.3		(0.1)		1.4		1.4		1.6		1.7
Periodicals		0.9		0.9		—		0.9		0.9		0.9		1.0
Other[2]		4.8		5.1		0.3		4.8		5.1		5.6		4.8
Total Revenue	**$**	**83.8**	**$**	**81.4**	**$**	**(1.5)**	**$**	**82.9**	**$**	**80.5**	**$**	**79.3**	**$**	**78.8**
Salaries and Benefits		57.9		57.5		0.4		57.1		55.7		54.4		52.8
FERS Normal Cost		5.1		5.1		—		5.1		4.9		4.8		4.5
Transportation		8.4		8.4		0.2		8.2		8.8		10.1		10.3
Depreciation		2.5		2.2		—		2.2		2.0		1.8		1.7
Supplies and Services		3.6		3.4		(0.2)		3.6		3.4		3.4		3.2
Rent, Utilities, and Other[3]		8.1		7.5		(0.3)		7.8		7.5		7.1		6.8
Controllable Expenses	**$**	**85.6**	**$**	**84.1**	**$**	**0.1**	**$**	**84.0**	**$**	**82.3**	**$**	**81.6**	**$**	**79.3**
Controllable (Loss) Income	**$**	**(1.8)**	**$**	**(2.7)**	**$**	**(1.6)**	**$**	**(1.1)**	**$**	**(1.8)**	**$**	**(2.3)**	**$**	**(0.5)**
Impact of Postal Service reform legislation[5]		—		—		—		—		—		—		57.0
FERS Unfunded Liability Amortization		(2.3)		(2.2)		0.2		(2.4)		(2.3)		(2.1)		(1.6)
CSRS Unfunded Liability Amortization		(3.3)		(3.1)		0.3		(3.4)		(3.2)		(3.0)		(2.3)
Retiree HB Top-Up Payment		(0.7)		—		—		—		—		—		—
Workers' Comp. Fair Value and Other Non-Cash Adjustments		—		(1.0)		(1.0)		—		(2.2)		0.9		3.4
Non-Controllable Items	**$**	**(6.3)**	**$**	**(6.3)**	**$**	**(0.5)**	**$**	**(5.8)**	**$**	**(7.7)**	**$**	**(4.2)**	**$**	**56.5**
Net (Loss) Income	**$**	**(8.1)**	**$**	**(9.0)**	**$**	**(2.1)**	**$**	**(6.9)**	**$**	**(9.5)**	**$**	**(6.5)**	**$**	**56.0**

[1]Numbers are rounded for additive purposes.

[2]Includes investment and interest income, gain, or loss on sale and income from the out-lease of property.

[3]Includes interest expense.

[4]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.

[5]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 2025 Performance Report

In FY 2025, Net (Loss) Income was $(9.0) billion. This adjusted net loss is $(2.1) billion worse than the $(6.9) billion net loss planned in the FY 2025 IFP. This loss includes:

- A negative $1.0 billion non-cash adjustment to workers' compensation liability due to changes in discount rates and actuarial adjustments.
- A net shortfall of $(1.6) billion of revenue and controllable expenses compared to plan, despite a $848 million increase in revenue and investment/interest income compared to the prior year.
- Shipping and Packages increase of $315 million over the prior year, though $2.0 billion less than the aggressive targets set in our plan.
- FERS unfunded liability amortization expense at $0.2 billion under plan.
- CSRS unfunded liability amortization expense at $0.3 billion under 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 2025 total revenue of $81.4 billion was $848 million more than last year, and $1.5 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 $25.8 billion, the same as plan.

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 $15.7 billion, above the planned amount by $0.3 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 did not meet our volume target for Shipping and Packages and revenue increased $315 million over the prior year, the associated revenue was $32.6 billion, below the aggressive planned amount by $2.0 billion, due to strong market competition and a fall in demand for Parcel Select.

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 $1.3 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, 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, $0.3 billion more than plan.

While total volume was higher and revenue was lower than our IFP targets for FY 2025, both total volume and total revenue exceeded the targets originally set forth in the Delivering for America plan. This can be attributed to domestic mail volume exceeding the target set in the plan by 9.4 billion pieces, or 10.2 percent, and domestic mail revenue exceeding the target by $5.4 billion, or 14.7 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 $57.5 billion, $0.4 billion more than the FY 2025 plan. This was primarily due to changes in the mix of career and pre-career employees and the wage and rate paid, which was offset by a decrease in total work hours by 11.8 million.

FERS normal cost expense is the expense the organization incurs to fund retirement benefits for active employees. The normal cost of $5.1 billion was the same as plan.

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 $8.4 billion, $0.2 billion more than plan. This is because of the impacts of our efforts to realign and streamline our transportation system, including the shift of mail back onto air transportation in the second half of FY 2025.

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 2025 was $2.2 billion, which is the same as plan.

Supplies and services expenses include consulting services, custodial and building services, minor parts, office supplies, equipment and furniture, advertising, and cost of sales items. Supplies and services expenses in FY 2025 were $3.4 billion, $0.2 billion less 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 $0.3 billion less than plan.

Reference the FY 2025–FY 2026 Targets and FY 2022–FY 2025 Actuals for Corporate-wide Performance Outcomes table on page 38 for historical performance.

FY 2026 Performance Plan

In FY 2026, we anticipate a $1.8 billion controllable loss, resulting from a projected $2.4 billion increase in revenue with an additional increase in expenses of $1.5 billion compared to FY 2025.

Revenue — Revenue from mail is expected to increase $0.2 billion compared to FY 2025.

Shipping and Packages revenue is estimated to increase by $3.1 billion from FY 2025.

International revenue is expected to decrease by $0.6 billion, while revenue from other sources is expected to decrease by about $0.3 billion.

Controllable Expenses — Total controllable expenses in FY 2026 are projected to be $85.6 billion. This target includes the projected impact of management initiatives to balance work hours and transportation costs, with workhours planned to be lower than FY 2025 and transportation planned to remain the same as FY 2025. Salaries and benefits expenses are planned to increase by $0.4 billion in FY 2026 despite a reduction in work hours due to contractual wage increases.

FERS normal cost expense is planned to remain the same as FY 2025.

Transportation expenses are planned to remain the same, due to ongoing transportation modality changes supporting service and reducing costs, decreases due to insourcing of contracted employees, and market fluctuations for resources such as fuel and drivers which impact costs.

Depreciation expenses are expected to increase by $0.3 billion compared to FY 2025 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 $0.6 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 2025 planned expenses for FERS and CSRS amortization were $2.4 billion and $3.4 billion, which are more than the actual charged amounts of $2.2 billion and $3.1 billion in FY 2025. The FY 2026 IFP projects FERS and CSRS amortization expenses to be $2.3 billion and $3.3 billion, respectively.

A provision of the 2022 PSRA stipulates that starting in FY 2026, OPM will bill USPS a “top-up” payment for RHB to be billed at year-end similar to the pension amortization expenses. The calculation is the difference between claims costs and premiums for the annuitants. Like with the amortization expenses, we have no control over annuitants or their costs. FY 2026 IFP projects the expense to be $0.7 billion.

GAAP requires the Postal Service to record its September 30, 2025, 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 2025, we recorded a $(1.0) billion net non-cash workers’ compensation expense.

Reference the FY 2025–FY 2026 Targets and FY 2022–FY 2025 Actuals for Corporate-wide Performance Outcomes table on page 38 for historical performance.

Measures of Productivity[8]

Since the launch of the Delivering for America transformation plan, the organization has made extensive investments in capital and resources in the modernization efforts. The rollout of the RPDCs and the deployment of our newest package sorters have improved the efficiency of mail and package delivery. The continued efforts in shifting from air to surface transportation modes have saved us more than $422 million in transportation expenses during this fiscal year. The transportation savings have contributed to a decrease in materials input of 0.4 percent compared to FY 2024. Our conversion of pre-career employees to career status, combined with our work hour reduction initiatives, have contributed to a significant decrease in total work hours. Compared to FY 2024, our work hours decreased by 12 million, with most of that reduction coming from mail delivery. These efforts in improving labor efficiency have contributed to a 0.1 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 decreased by 1.7 percent in FY 2025 due to a significant decline in mail and package volumes and the impact of continued investment in the redesign and modernization of the organization as outlined in the Delivering for America plan.

Since TFP is a measure of output per units of labor and capital, our recent increase in capital investments has negatively impacted TFP in the short-term. Without these investments, our TFP number 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.

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 2025, labor productivity decreased 1.7 percent compared to FY 2024. Labor productivity decreased by 1.5 percent for distribution and by 1.8 percent for the related function of mail handling. Labor productivity for delivery, which is heavily weighted in the overall labor productivity calculation, decreased by 1.9 percent.

In FY 2025, workload declined 1.8 percent from FY 2024. Weighted mail volume, which is the largest component of workload, decreased 3.8 percent from FY 2024.

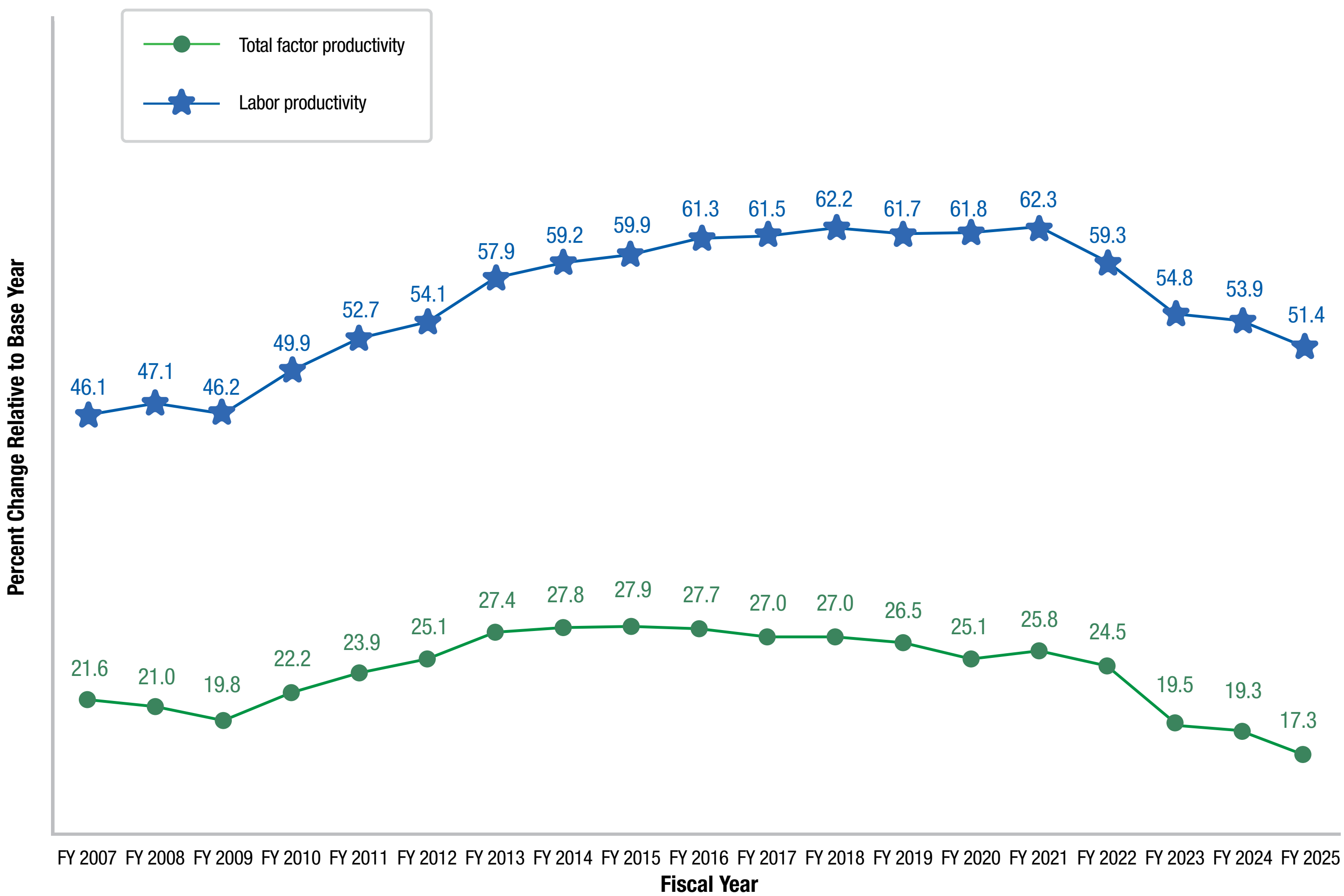
[8] *FY 2025 TFP and Labor Productivity is preliminary until the CRA report is released in early 2026.*

The 3.8 percent decrease in weighted mail volume was driven by decreases in Priority Mail, Parcel Select Mail, and First-Class Single-Piece Letters. These decreases were partially offset by increases in USPS Ground Advantage. Miscellaneous output declined 1.4 percent and delivery points grew 1.3 percent from FY 2024.

In FY 2025, resource usage decreased 0.1 percent from FY 2024. Labor input, the largest component of resource usage, decreased 0.1 percent from FY 2024. The 0.1 percent decline in labor input was driven by decreases in the Pre-career Clerks and Pre-career City Delivery Carriers categories, which were partially offset by increases in the labor categories of Career Mail Handlers, Career Rural Carriers, and Vehicle Service Drivers. Career work hours increased 1.0 percent, while pre-career work hours decreased 12.8 percent from FY 2024. Additionally, capital input increased 1.9 percent and materials input decreased 0.4 percent from FY 2024.

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 2.0 - Fulfilling the Promise 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 2026 target outcomes.

For more information regarding the Delivering for America initiatives and the progress of the Delivering for America plan, including the Delivering for America 2.0 — Fulfilling the Promise, visit about.*usps.com*/what/strategic-plans/delivering-for-america.

The following table shows how the strategic initiatives implemented in FY 2025 and planned for FY 2026 align to the organization's corporate-wide performance outcomes.

FY 2025 and FY 2026 Strategic Initiatives Matrix

FY 2025 DFA Strategic Initiative	FY 2025 Corporate Outcomes Supported				FY 2025 to FY 2026 Change	FY 2026 DFA Strategic Initiatives	FY 2026 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
Strengthened Public Service Mission		X		X	Refined	Strengthened Public Service Mission		X		X
Bold Approach to Growth, Innovation, and Continued Relevance		X		X	Refined	Bold Approach to Growth, Innovation, and Continued Relevance		X		X
Service Standards That Foster Excellence and Reliability	X			X	Refined	Service Standards That Foster Excellence and Reliability	X			X
Fully Optimized Surface and Air Transportation Network	X	X		X	Refined	Fully Optimized Surface and Air Transportation Network	X	X		X
Environmental Stewardship			X	X	Refined	Environmental Stewardship			X	X
Best-In-Class Mail and Package Processing	X			X	Refined	Best-In-Class Mail and Package Processing	X			X
Best-In-Class Delivery Operations	X	X	X	X	Refined	Best-In-Class Delivery Operations	X	X	X	X
Modern and Transformed Network of Post Offices		X	X	X	Refined	Modern and Transformed Network of Post Offices		X	X	X
Stable and Empowered Workforce			X		Refined	Stable and Empowered Workforce			X	
Organization Structured for Success				X	Refined	Organization Structured for Success				X
More Rational Approach to Pricing				X	Refined	More Rational Approach to Pricing				X
Financial Stability and Investment				X	Refined	Financial Stability and Investment				X
Sensible and Prudent Legislative and Administrative Support				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 more information on Postal Service products and services visit *usps.com*.

For additional information on USPS strategies, programs, and policies, visit 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™, Postal Store®, 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.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