Service Standard Changes Fact Sheet

Key Points

- The United States Postal Service is refining service standards for First-Class Mail, Periodicals, Marketing Mail, Package Services (Bound Printed Matter, Media Mail, and Library Mail), USPS Ground Advantage, Priority Mail, and Priority Mail Express.

- Under the new approach, while most mail will retain the same service standard, some mail will have a faster standard, and some will have a slightly slower standard. For First-Class Mail, the current service standard day range of 1-5 days is staying the same, while the day ranges for end-to-end Marketing Mail, Periodicals, and Package Services are being shortened. All Mail will benefit from more reliable service.

- As with mail, most competitive shipping products will retain the same service standard, some packages will have a faster standard, and some will have a slightly slower standard. The current service standard day range for USPS Ground Advantage of 2-5 days is staying the same. All packages will benefit from more reliable service.

- As a result of these new refined service standards, the Postal Service projects at least $36 billion in savings over 10 years from transportation, mail processing, and facility cost reductions.
  - Note that as part of the ongoing Delivering for America 10-year plan, USPS has already achieved $2.2 billion in annual transportation cost reductions by streamlining networks and optimizing air and surface options. Additionally, it has decreased work hours by 50 million — translating to $2.5 billion in annual savings, by enhancing plant productivity and closing unnecessary facilities. At the same time, the Postal Service has increased revenue by $3.5 billion annually by adapting product offerings amidst significant declines in First-Class Mail volume.

- The new service standards are easy to understand and provide more precise expectations for mailers, as they are based on 5-Digit ZIP code pairs, rather than current standards that are based on 3-Digit ZIP code pairs. This information will be updated as needed to communicate any new information.

- In applying the service standards, the Postal Service will, for volume that is mailed on Saturday or the day before a holiday, exclude Sundays and holidays as transit days for measurement purposes. This approach better aligns with the practice of our competitors and other postal operators, and will enable the Postal Service to achieve additional operational efficiencies and costs savings with minimal impact on volume, including building density, creating higher throughputs, and staffing with more flexibility.

- The relative impact on service standards, leaving more than 80 percent of Market Dominant volume unchanged, demonstrates the Postal Service's efforts to maintain high quality service and mitigate customer impacts to the extent possible while also implementing operational changes necessary to improve postal operations and achieve the critical — and significant — cost savings that are necessary for financial sustainability as required by law.

- **What this means for rural customers:**

  Even customers who may experience a service downgrade for mail they are *sending* will benefit from the increased efficiencies that will be gained, particularly for mail they are *receiving* (including checks and medicines). The majority of mail and package volume, including mail and package volume destined to rural communities, originates in ZIP Codes that are within 50 miles of an RPDC. This volume will not be impacted by RTO and can be processed more quickly, as it will no longer need to wait for volume arriving from outlying areas.

- Implementation will be in two phases to facilitate effective operational execution: the first phase will begin on April 1 and the second on July 1, 2025.

- The Postal Service will share information at its retail locations and there are no impacts to services at those retail locations as retail access will not change. There are also no impacts to delivery services.

For commercial customers and consumers USPS has developed user-friendly tools to assist customers in understanding expected delivery times for their mail. Please note that Priority Mail Express will not be included in the first release.

Available now:

  o Detailed file specifications for downloadable files with the new standards are available on PostalPro (Service Standards | PostalPro).

  o The service standards Application Programming Interface (API) has been updated to include a new presort indicator for First-Class Mail standards. API specs are available now on the USPS Developer Portal (https://developers.usps.com/)

Starting March 24:

  o Customers can look up service standards on usps.com for mailings from one ZIP Code to another on a particular mailing date. The search results will display the available mail classes along with the expected delivery dates for each.

  o A new interactive map will be available that will display service standards. Customers will be able to enter the ZIP Code they are mailing from along with the mail class to view the expected delivery time.

- The new service standards support the Postal Service's operational initiatives, and simultaneously allow the organization to:

  o Maintain existing service standard day ranges for First-Class Mail and USPS Ground Advantage, meaning no First-Class Mail will have a standard of more than 5 days
  o Make service more predictable and reliable
  o Provide 2-3-day turnaround service within a region and within certain local areas
  o Improve speeds for mail and packages overall in Leg 2, with a neutral, or improved, impact on the *delivery* of mail

- In more detail the service standard changes provide the following operational benefits:

  o **Greater precision –** Moving service standards from a 3-Digit to 3-Digit Zip Code pairing to a 5-Digit to 5-Digit Zip Code model allows us to continue evolving to more precise, understandable, and higher quality products.

  o **Logical sequence –** We now organize the operational path of mail and packages into three legs. Leg 1 is the path from collection to origin processing. Leg 2 is the path from origin processing to destination processing. Leg 3 is the path from destination processing to final delivery. Current service standards only account for Leg 2. By establishing service expectations for each of the three legs, and adding one service expectation day in Leg 1 for volume entered far from regional processing facilities, the standards will accurately reflect how mail travels through the postal network.

  o **Expanded Reach of 2, 3, and 4-Day Products**: The new service standards allow us to dispatch earlier from postal facilities, reach further, and enhance customer service for mail and shipping products. This will improve service reliability and enable critical revenue growth.

  o **Turnaround offering**: We will now offer turnaround service (mail that is processed and delivered within the same region) to an entire RPDC region. These regions are significantly larger than the current plant service areas. These productivity gains also mean we can efficiently offer Single-Piece First-Class Mail cancellation and turnaround at a broader list of Local Processing Center sites than originally planned.

  o **Enhanced measurement**: We will implement changes to report service performance at the 5-Digit ZIP Code level. These updates will provide enhanced visibility into service performance, allowing the Postal Service and customers to track service more precisely at a local level.

  o **First-Class Mail impact**: The Postal Service will deliver 75% of First-Class Mail at the same service standard. 14% will be upgraded to a faster standard. 11% will have a slower standard, but all will still be within the current 1-5 day service standard day range.

- Critical Entry Times (CET) will also be changing to increase operational efficiency for the Postal Service transportation and delivery network. CET changes are designed so that commercial mail and packages can be transported and processed through the network in an integrated manner

  o The goal is to ensure all originating volume to a Regional Processing and Delivery Center (RPDC) is received by 2000 so that it can be processed and dispatched into the network on schedule. The aim is to launch the network 4-6 hours earlier
  o When approaching CETs, we prioritized maintaining access – maintain acceptance at Local Processing Centers (LPC), RPDCs, Post Offices, and at detached Business Mail Entry Units (BMEU) rather than change access
  o Regardless of entry before or after a CET, the Postal Service can still accept the mail and verify the date of acceptance

- The Postal Service is an independent federal establishment, mandated to be self-financing and to serve every American community through the affordable, reliable and secure delivery of mail and packages to 169 million addresses six and often seven days a week.

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