

DELIVERING FOR AMERICA

Our vision and ten-year plan to achieve service excellence
and financial sustainability

Ten-Year Plan Overview

Our Delivering for America (DFA) Plan launched on March 23, 2021.

The following set of transformational goals and key initiatives provide a roadmap to a more efficient, valuable, and relevant organization:



6 and 7 days of mail and package delivery



A modernized vehicle fleet with an expanded electric opportunity



A transformed network of Post Offices designed as go-to destinations



An organization structured to support effectiveness



95% on-time reliability



A best-in-class integrated mail and package processing network



A fully integrated and optimized surface and air transportation network



A supportive legislative and administrative framework



Growth, innovation and continued relevance



A best-in-class integrated mail and package delivery network



Reduction of pre-career workforce turnover by 50%



A more rational pricing approach

Noteworthy Accomplishments

- ✓ Decreased our projected losses from **\$160 billion to \$70 billion** over 10 years
- ✓ **Postal Service Reform Act into law** to reduce expenses by \$48 billion over 10 years
- ✓ Packaged and delivered **600+ million** COVID test kits to American households
- ✓ Converted over **102,287 pre-career employees** to career status
- ✓ Improved and stabilized **service performance**
- ✓ Implemented **new service standards** for First-Class Mail, Periodicals, First Class Package Service, and Retail Ground/Parcel Select Ground

Improving and Stabilizing Service Performance

Service performance has improved and stabilized across all categories. Average time for delivery of a mailpiece across our network is 2.5 days, compared to 2.7 days (same period last year).

THIRD-QUARTER SERVICE PERFORMANCE FOR April 1 THROUGH June 30 INCLUDED:

First-Class Mail

93.3%

Marketing Mail

94.6%

Periodicals

86.7%

COVID Test Kits Program

by the numbers

600+ M

Test kits packaged and shipped
to 70 M American households across the country

150+ M

Orders delivered
to households across all states, Tribes, and territories – 4 test kits per order

1.2

Average days to deliver
a test kit package from shipment to delivery

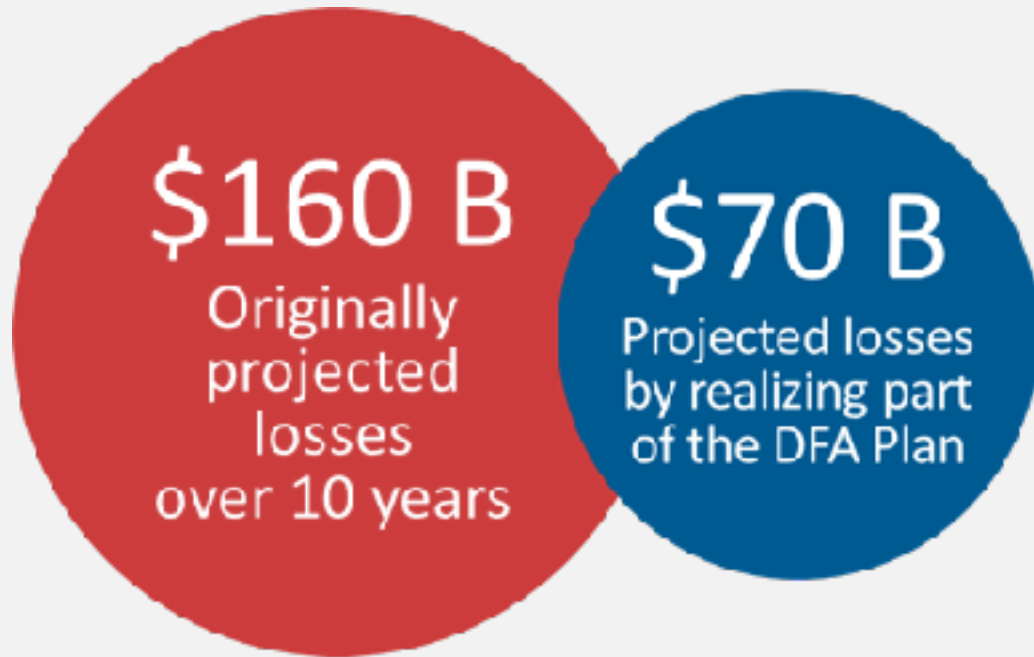
Objective: Package, ship, and deliver millions of free rapid COVID test kits to households



★ Surface Transfer Center for distribution ● Fulfillment Center for packing and labeling
■ Shipment origin

Decreasing Our 10-Year Projected Losses

From \$160 Billion to \$70 Billion by Realizing Parts of the DFA Plan



- **Transforming Our Network**
- **Redefining Our Sales & Marketing Strategy**
- **Preparing for the Peak Holiday Season**
- **Investing in Our Future**
- **Stabilizing and Empowering Our Workforce**

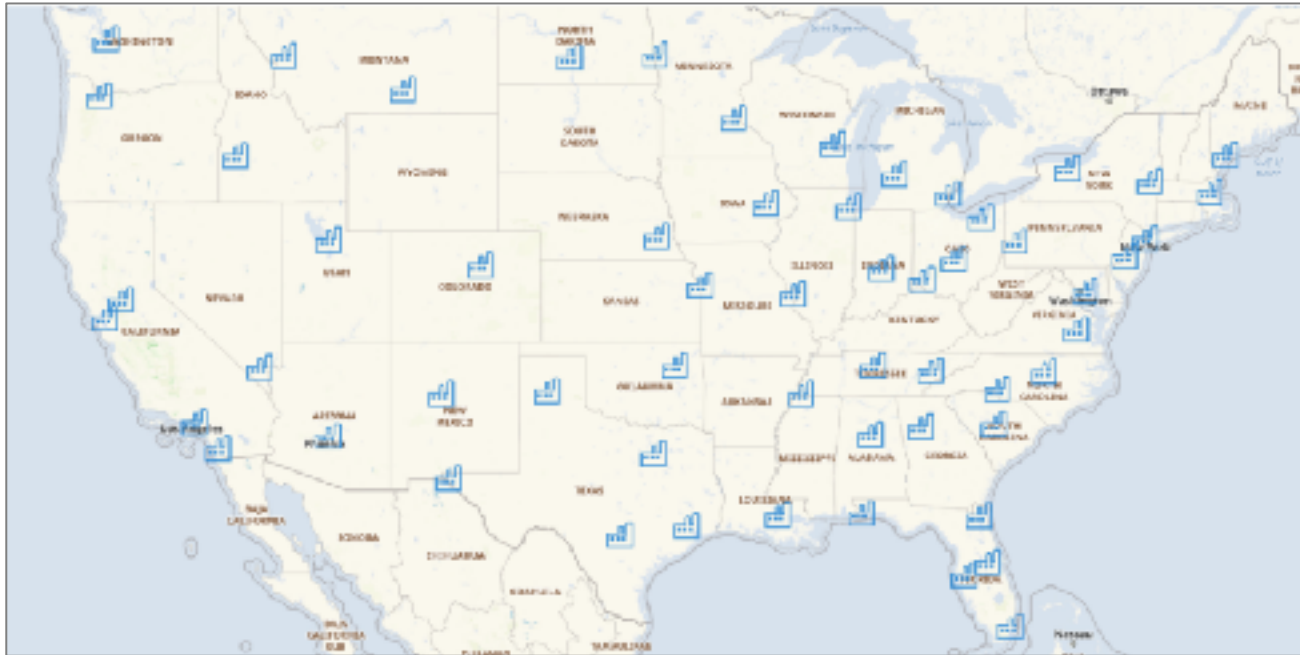
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Transforming our Network

Creating an Integrated Mail and Package Network

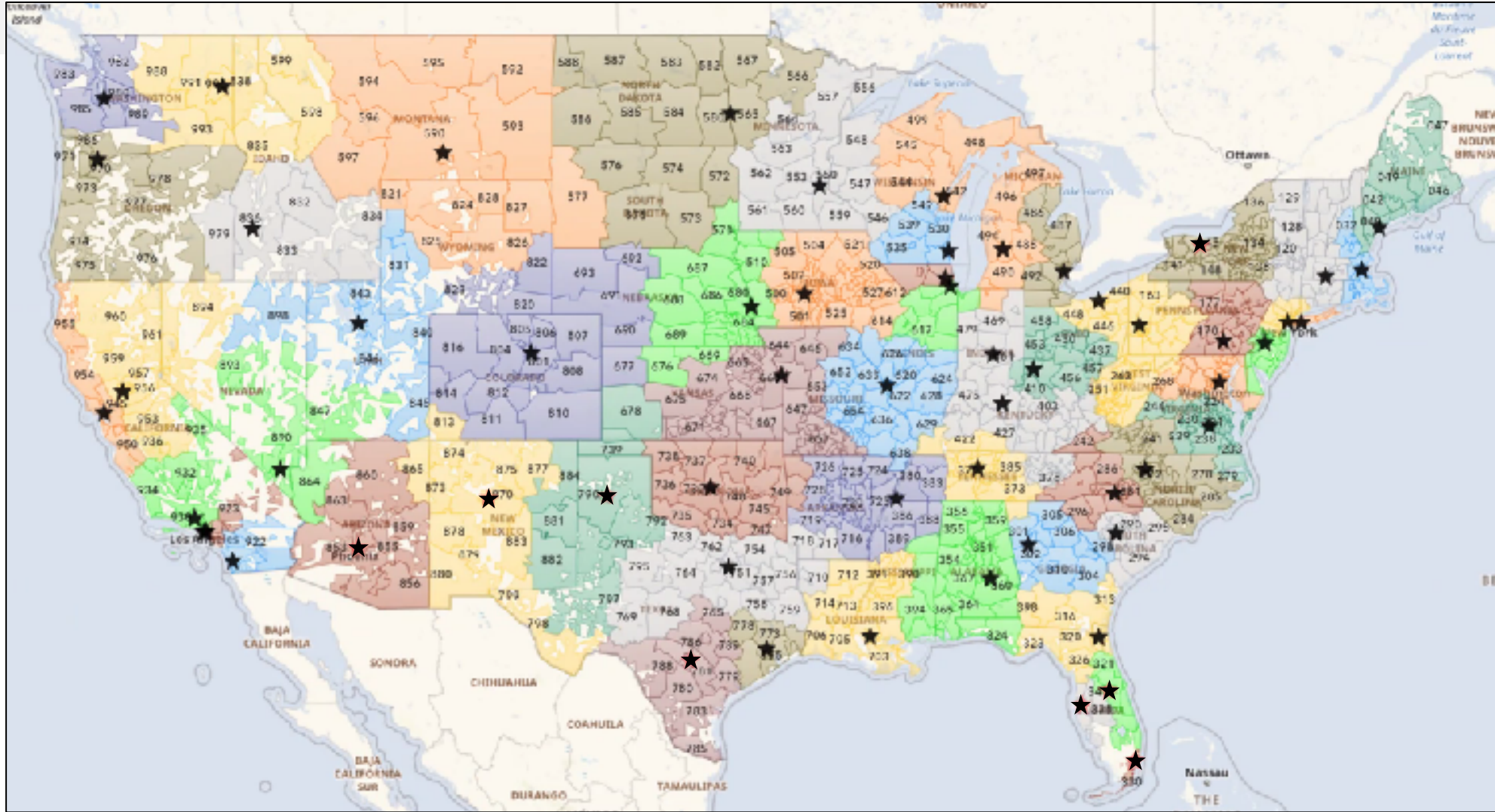
Next Big Changes

- Network Redesign
- Delivery Unit Redesign



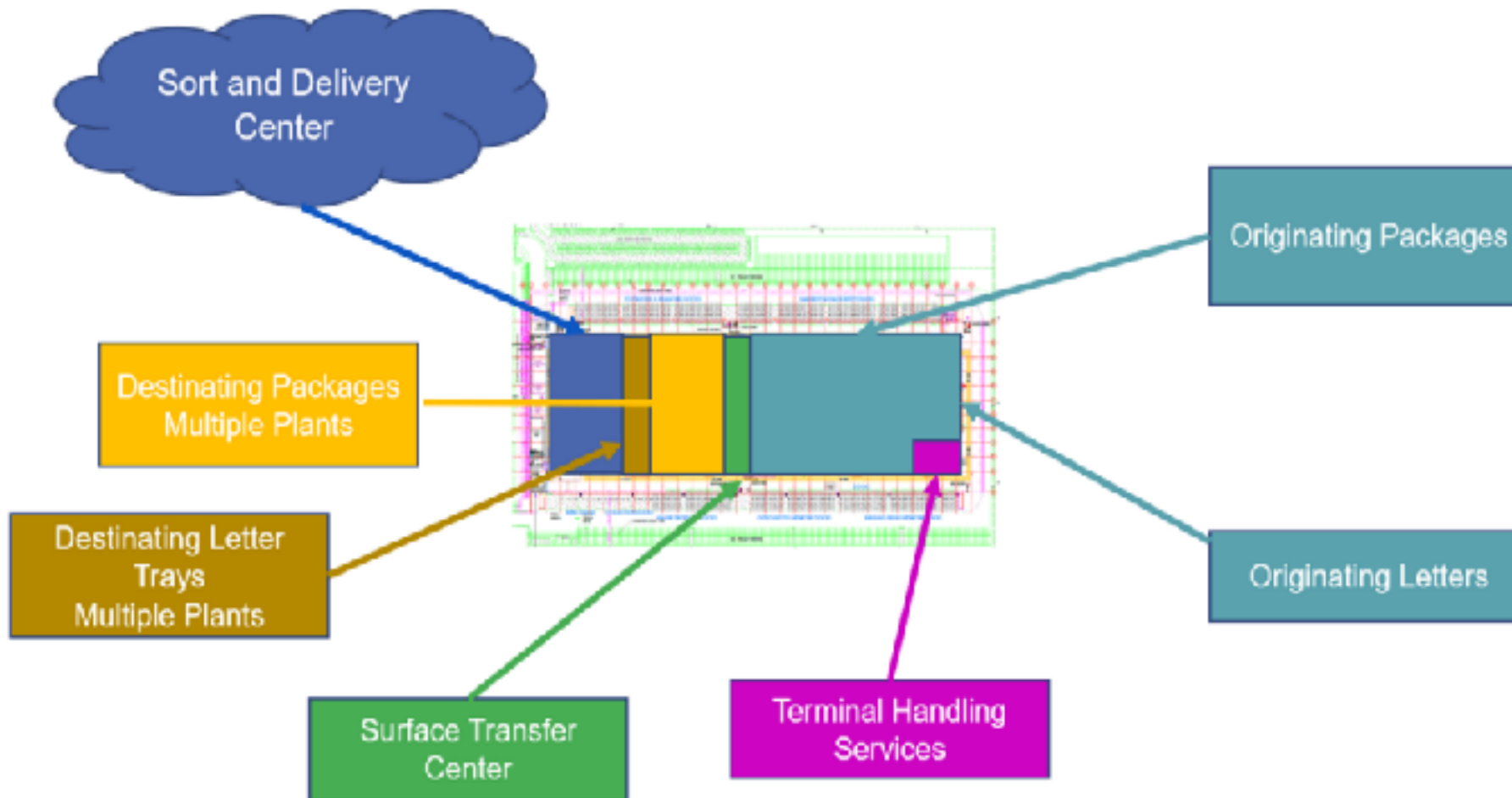
- 236 P&DC – Processing & Distribution Centers
- 21 NDC – National Distribution Centers
- 86 Annex or Parcel Support Annex (PSA)
- 13 STCs – Surface Transfer Centers
- 71 THS – Terminal Handling Service

Best Fit Design: 60-65 Regional Processing and Distribution Locations (RPDC)



Regional Processing and Distribution Center (RPDC)

RPDCs will be designed to include the following:



Atlanta RPDC



Brand new building

- Better work conditions
- Better lighting
- More workroom floor space
- Improved yard conditions and trailer staging
- Larger docks
- More employee parking
- Higher throughput equipment

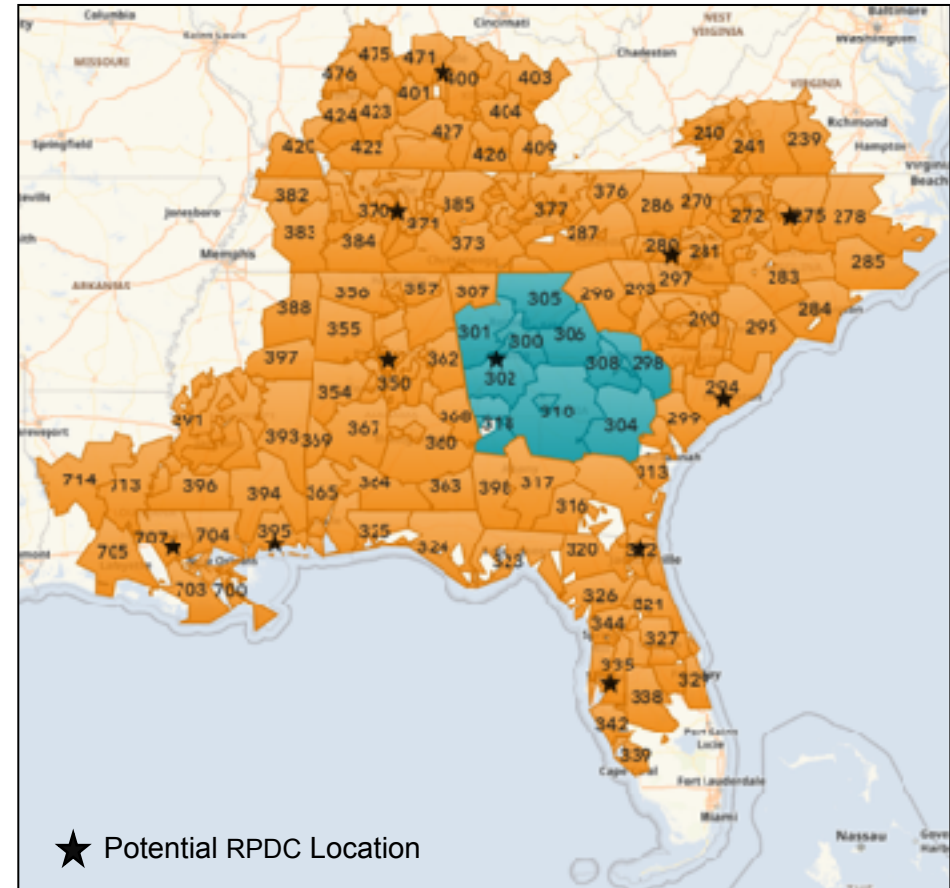


RPDC Benefits: Competitive Advantage

Regional Example:

Promote regional entry for customers seeking next day and two-day package delivery

- RPDC: **1**
- Next Day Reach: **7M People**
- Two Day Reach: **55M People**



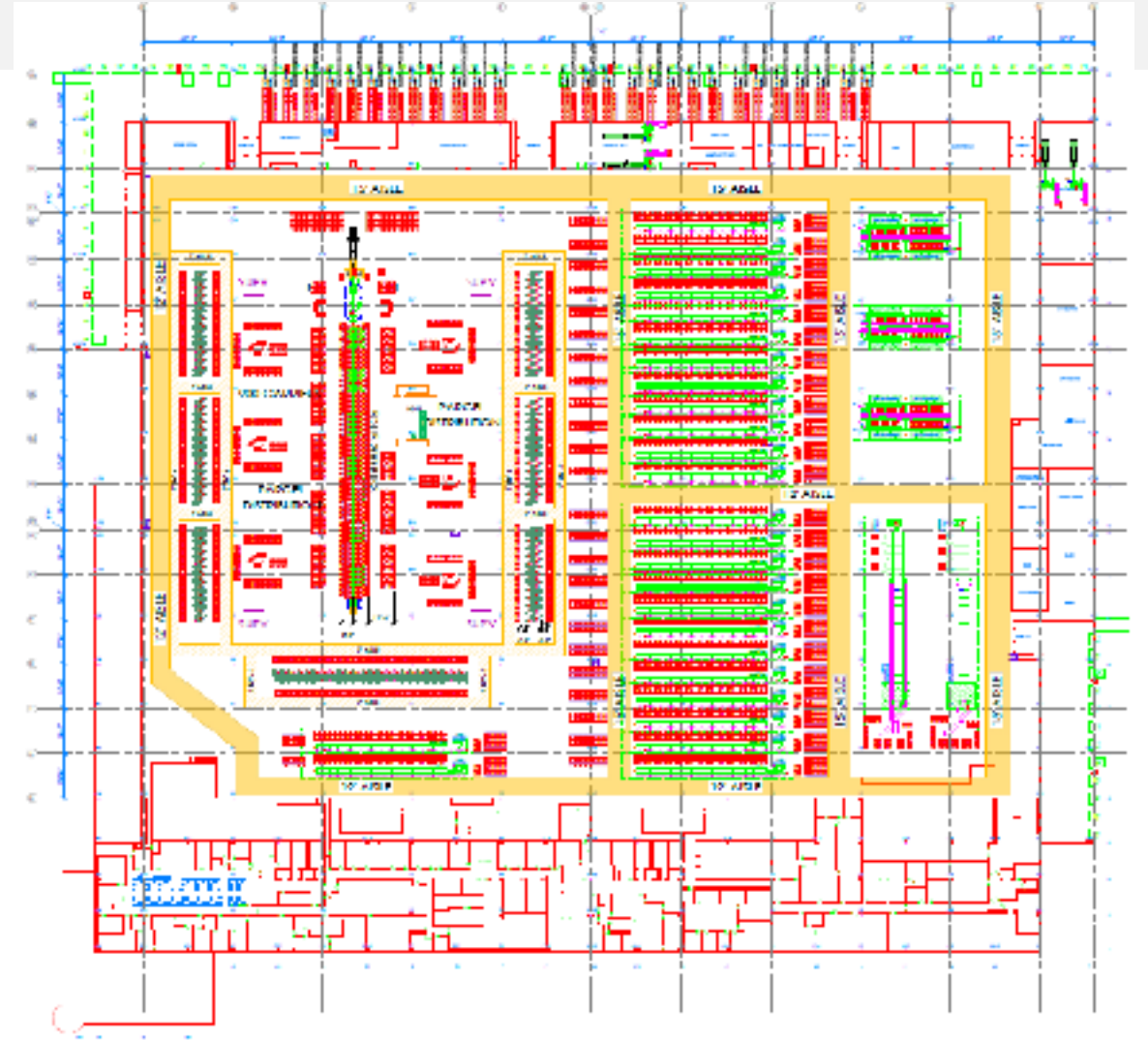
Next-day Reach

Two-day Reach

Local Processing Center (LPC)

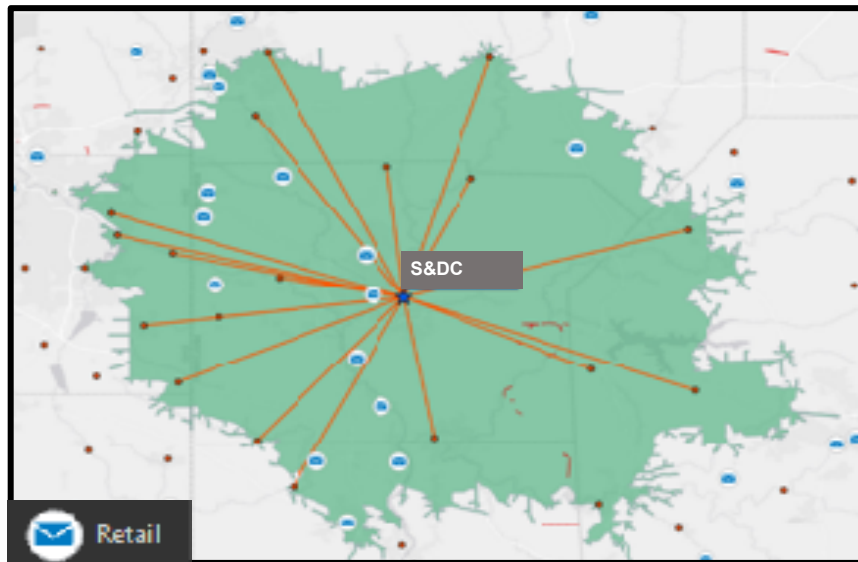
LPCs will be designed to:

- Perform the primary sort for destinating letters
- Sort destinating letters into carrier walk sequence
- Perform destinating flats processing
- Create enough space to add a Sort and Delivery Center
 - Since package processing is removed, every LPC should have enough space for an S&DC
- Transport mail volume downstream to other Sort and Delivery Centers
- Transport mail volume downstream to other Delivery Units



Sort & Delivery Center (S&DC) Concept

- Optimize site locations to create larger delivery units as Sort & Delivery Centers (S&DCs)
- Collapse carrier routes from smaller units into a S&DC
- Retain PO Boxes and Retail in current locations
- Provide S&DCs with volumes earlier; improve machines to process timely, efficiently
- Optimize trips to/from the RPDCs/LPCs to S&DCs



Local Example

- S&DCs: **10**
- Routes: **2,301**
- Delivery Points: **1.76M**
- Population Serviced: **4M**

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Sales & Marketing Approach

Strengthening the value of mail

- ✓ **Connect Local Mail** offers expected same and next day delivery in select locations for sending urgent documents
- ✓ **Every Door Delivery Mail (EDDM) Rollback** decreases the price of EDDM-Retail to pre-COVID levels
- ✓ **Plus-One** provides the option for customers to add a card to saturation marriage letter mailings
- ✓ **First-Class commercial large size postcard** provides more space for messaging
- ✓ **Promotions** encourage marketers, printers, and mailers to try out new technology and print techniques

“Driving mail in local communities through products programs and enhancements to generate value and revenue”

Why USPS Connect™ Local is good for your business.

Meet customer demand.

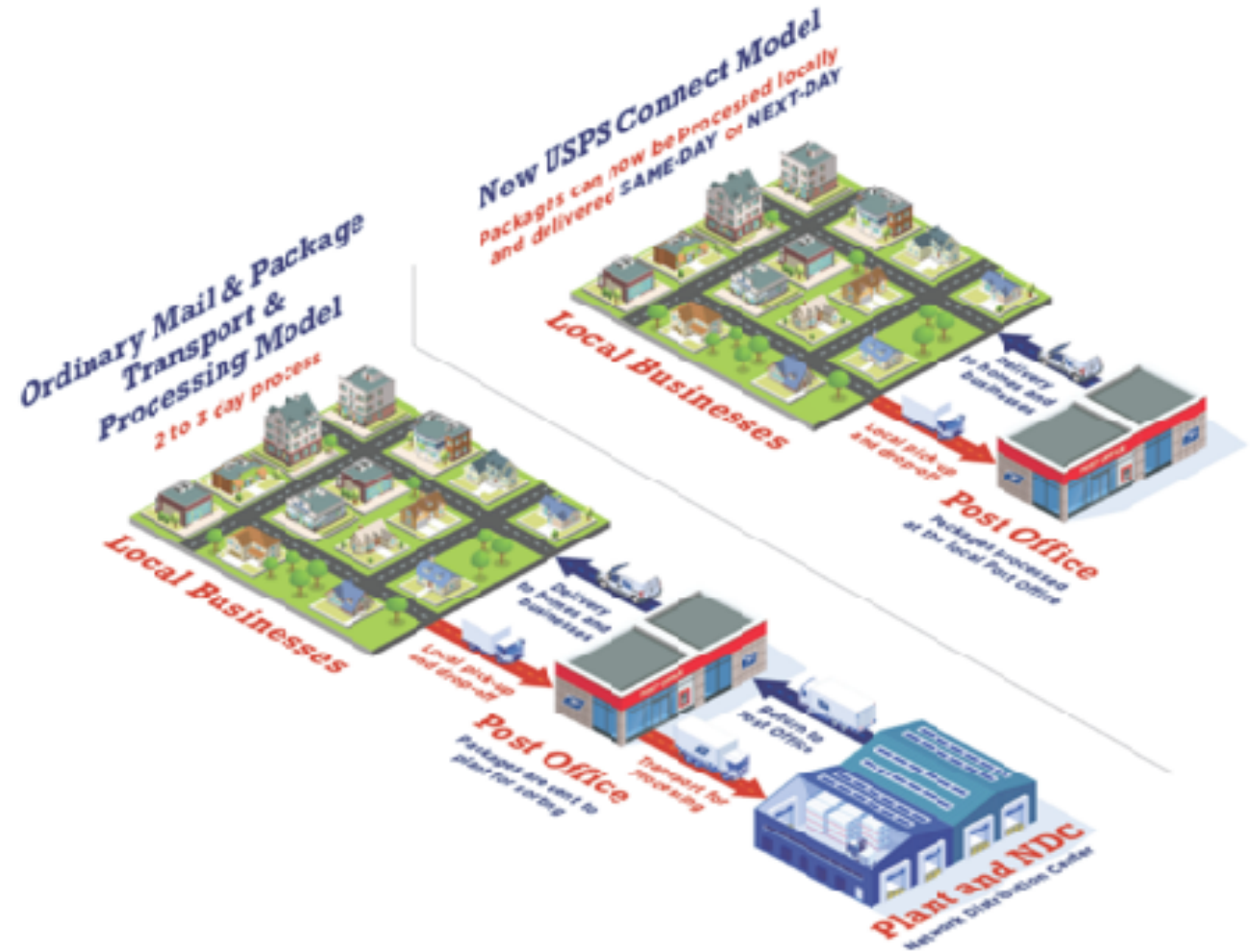
Provides new, cost-effective ways to meet customer demand for fast delivery.

Fast delivery.

Offers expected same-day or next-day package and mail delivery.¹

Convenient pickup.

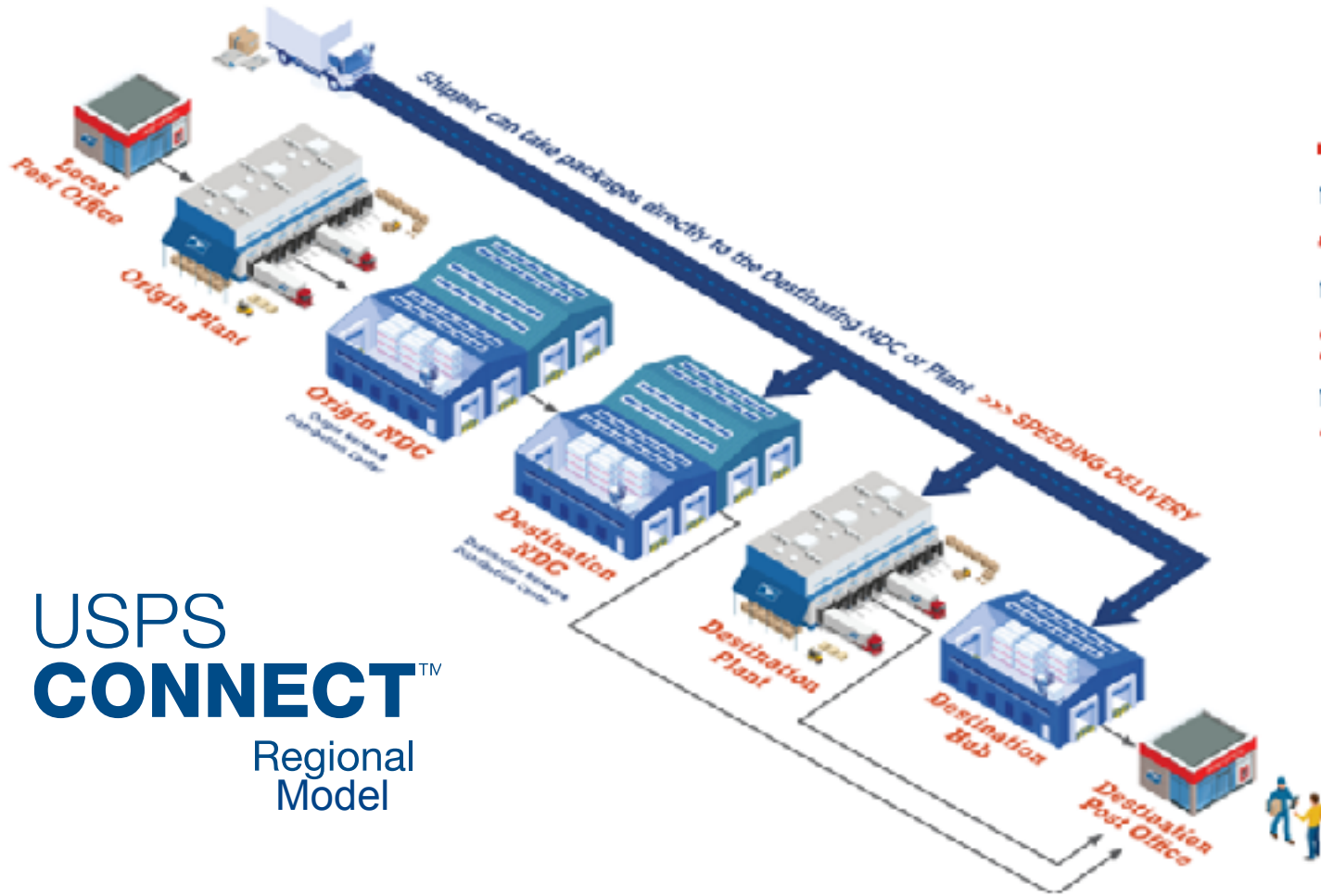
Provides free Package Pickup, available for next-day delivery.²



1. Participation in USPS Connect Local requires agreement to program terms and entry of packages and mail close to final destination. Same-day delivery is expected but not guaranteed and may not be available at all locations. Next-day delivery may be impacted by holidays and availability of Sunday delivery. When Sunday delivery is available, there is an additional fee for USPS Connect Local Shipping services. Sunday delivery is not available for USPS Connect Local Mail services. Additional restrictions may apply. Speak with your USPS® Representative for details.
2. For details on free Package Pickup, visit usps.com/pickup. On-demand pickup is available for a fee and is not available for the USPS Connect Local flat-rate mail service.

Why USPS Connect™ Regional is good for your business.

Reach more than **80%** of the U.S. population by the next day.



USPS
CONNECT™
Regional
Model

Regional Plants reach statistics.

Number of 5-digit ZIP Code™ areas

41,033

Number of Destination Delivery Units (DDUs)

25,988

Number of delivery points

143,671,933

Number of businesses

35,530,193

Population served

333,270,397

Population reached within 1 day

81.69%

Population reached within 2 days

18.31%

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Holiday Season Preparations

Building on Last Year's Preparations

Based on last year's progress, we are adding to those efforts and started planning early for the 2022 holiday season by:

- ✓ Improving and stabilizing service performance prior to the peak season
- ✓ Implementing realistic service standards
- ✓ Ensuring reliable transportation options
- ✓ Expanding facility footprint
- ✓ Procuring additional package sortation equipment
- ✓ Hiring additional employees for peak season



Capacity planning for holiday season success



A nationwide effort to hire new employees including over 28,000 seasonal employees



Leasing additional square feet in facility annexes



Installing 250 new package sorting machines



Adapting our transportation and logistics processes

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Investments for Our Future

DFA Investments

by the numbers



The DFA Plan commits to \$40 billion in investments over 10 years with a deliberate, strategic approach to updating or replacing our facilities, equipment, and technologies that will enable us to serve customers long into the future.

- \$18.0 B** **New Delivery Vehicles**
to replace our aging fleet
- \$8.6 B** **Network Redesign**
to replace & upgrade facilities, streamline operations, and reduce transportation
- \$4.2 B** **Technology Modernization**
to upgrade software systems, improve computing performance, and invest in e-commerce tech
- \$3.8 B** **Greater Package Capacity**
expansion by acquiring new equipment and modernizing distribution centers
- \$3.1 B** **Retail & Delivery Redesign**
to expand and replace space-deficient Delivery Units to support the future delivery model
- \$2.2 B** **Operational Tech & Support**
in enterprise analytics, real-time tracking technology & data collection

Benefits from the DFA Plan Will Lead to...

- ✓ Improved service performance
- ✓ Better facility conditions
- ✓ Improved employee morale and lower turnover, long-term
- ✓ Reduced transportation costs
- ✓ A smaller carbon footprint through fewer trips and electric vehicles
- ✓ Easier standardization and operations management through centralization
- ✓ More local commerce opportunities through great delivery reach and higher yields
- ✓





POSTAL
CUSTOMER
COUNCIL

Facing the Future
Together

**NATIONAL
PCC WEEK**

September
19 – 23
2022

Postal Customer Council

Gary Reblin
VP, Innovative Business Technology

September 2022



World Class Visibility – Delivering for America

“We will leverage technology to provide world-class visibility and tracking of mail and packages in near real-time...We will make significant improvements in quality of tracking data...Better tracking data will also power products such as Informed Delivery...”

1. Package Visibility through 2D Barcoding

- Adding two-dimensional (2D) barcodes to shipping labels to improve enroute visibility

5. Artificial Intelligence Virtual Agent

- Using improved tracking and latest information from Advanced Expected Delivery to resolve customer inquiries



2. In-Transit Transportation Updates

- Improving the timing of in-transit event calculations
 - Progress Points

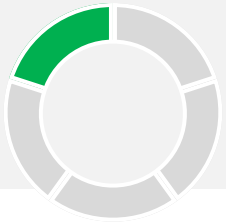
3. Enhanced Tracking

- Leveraging tracking data to update package delivery date expectation

4. Informed Delivery Package Enhancements

- Enhancing Informed Delivery to add value for shippers and recipients

Package Visibility through 2D Barcoding



Background

- **Barcodes may get damaged in processing and become unscannable.**
 - USPS processes these packages manually or need to OCR to get address
 - Customers lose in transit visibility: No scanning data gets transmitted to USPS Tracking
- **2D Solution: Add redundant two-dimensional barcodes to shipping labels**
 - Restores automated processing capability and Tracking Visibility for customers

Progress

- **All sorters will be upgraded by the end of December**
 - Self Service Kiosks & POS began printing 2D in April
 - Click-N-Ship started printing 2D in June
 - USPS Web Tools API in August
 - Remainder of processing equipment by end of December
- **Several large mailers are already converting to 2D**
- **In August over 600,000 2D barcodes were used to in sortation**
 - The net gain to visibility is +3%



Improving in-transit events for tracking

- **Today...** Calculated events are timed to appear 24 hours after an enroute scan letting customer know package is in-transit if no other scan
- **New approach...** Time in-transit events to occur consistently at more logical times in the package journey

Comparison

“Basic” Tracking (Today)

- Calculates package expected arrival after three scan events:
 - Originating enroute scan
 - Destinating enroute scan
 - Arrival at delivery unit

New “Enhanced” Tracking

- Compares package progress:
- Informs customer know when the packages reaches points in its journey
 - Revises expected delivery day if ahead or behind schedule

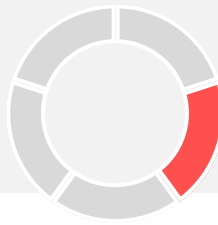
Example: 3-Day Service Commitment

“Basic” Expected Delivery Day Calculations

Monday	Tuesday	Wednesday	Thursday
<ul style="list-style-type: none"> • 12:30 am Originating enroute scan (update #1) 	Gap in Expected Delivery Updates! <ul style="list-style-type: none"> • No new information being used to update expected delivery date 		<ul style="list-style-type: none"> • 4am Destinating enroute scan (update #2) • 7am Arrival at delivery unit (update #3)

“Enhanced” Expected Delivery Day Calculations

Monday	Tuesday	Wednesday	Thursday
<ul style="list-style-type: none"> • 2am Originating enroute scan (update #1) 	NEW: Calculate based on new in-transit update (update #2)	NEW: Calculate based on new in-transit update (update #3)	<ul style="list-style-type: none"> • 4am Destinating enroute scan (update #4) • 7am Arrival at delivery unit (update #5)
Consistent updates throughout delivery			



Expanding Expected Delivery “Update Notifications” for use by commercial customers

- **Tracking API**
 - Customer tracking platforms will receive update notifications if package is running late and expected delivery window

Example: USPS.com Tracking

Tracking Number: 9500112852801068764316

Expected Delivery by
WEDNESDAY between **10:00 am & 12:00 pm**
September 28, 2021

Your item arrived at our SILVER SPRING, MD 20908 facility on July 7, 2021 at 8:41 AM.

Tracking History:

- Delivered
- Out for Delivery
- In transit: Arrived at USPS Facility**
SILVER SPRING, MD 20908
July 7, 2021, 8:41 AM
- Arrived at USPS Facility**
SILVER SPRING, MD 20908
July 7, 2021, 8:41 AM

See All Tracking History

Text & Email Updates

Delivery Instructions

USPS Tracking Plus™

Informed Delivery®

Product Information

Hundreds of millions of packages shipped by e-commerce sites and marketplaces each year rely on the Tracking API



Informed Delivery enhances the value of physical mail by adding digital / interactive content to mailing and shipping



Informed Delivery users receive:

- **Scanned images** of the exterior of incoming letter-sized mailpieces (processed through automated equipment)
- **Sent package tracking data** when sent on platforms that populate your return address ZIP Code
- **Incoming package tracking data** for packages
- **Informed Delivery Campaign images** from participating letter and flat mailers



If a shipper or mailer participates in Informed Delivery:

- supplemental content, referred to as **interactive campaigns**, will be shown to the receiving customer.
- Interactive campaigns include **custom images** and a **URL** that directs the user to a digital experience.

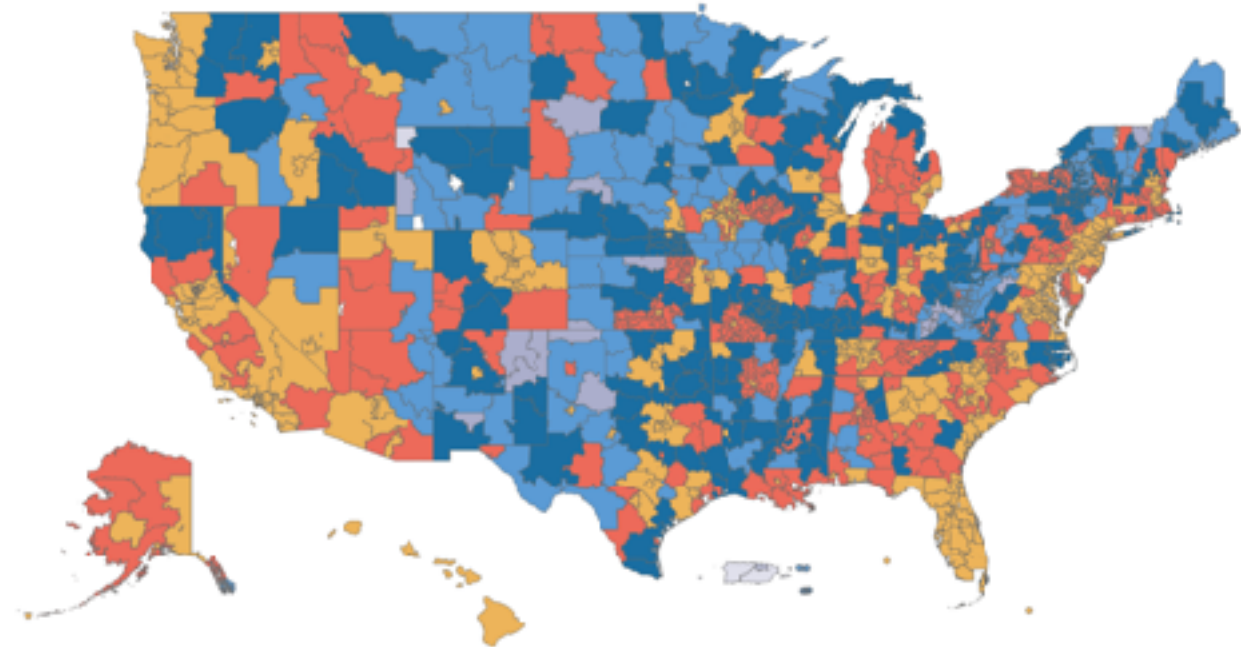


27.7%
National Saturation
(shows 33% of packages)

50.5M
Informed Delivery® Users

4.9 B
Packages in Informed Delivery®

National Household Saturation

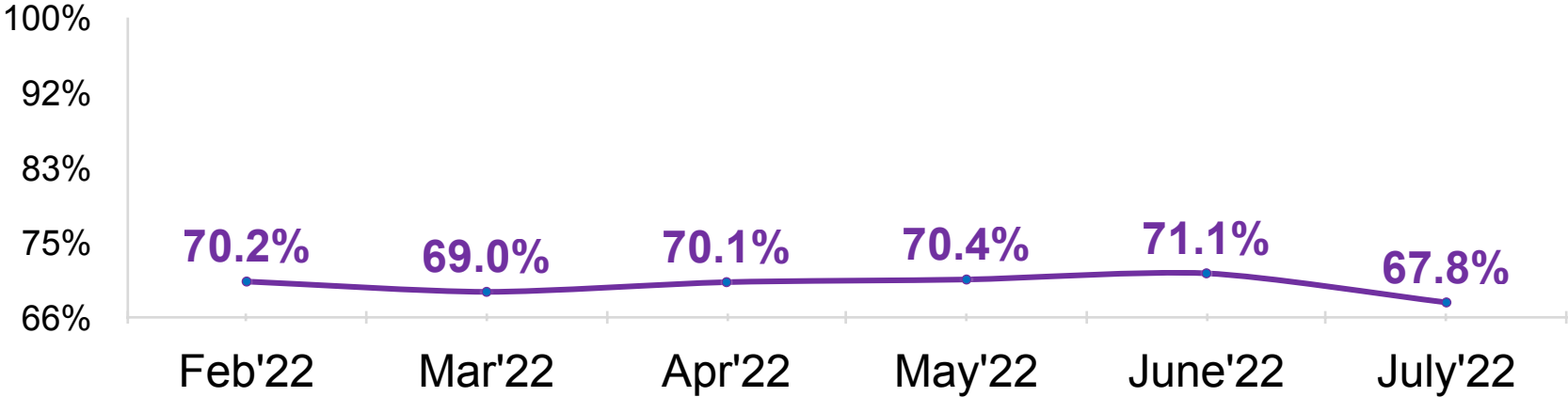


Informed Delivery: Open Email Open Rate



Informed Delivery continues to average a 70% email open rate

Informed Delivery Email Open Rate



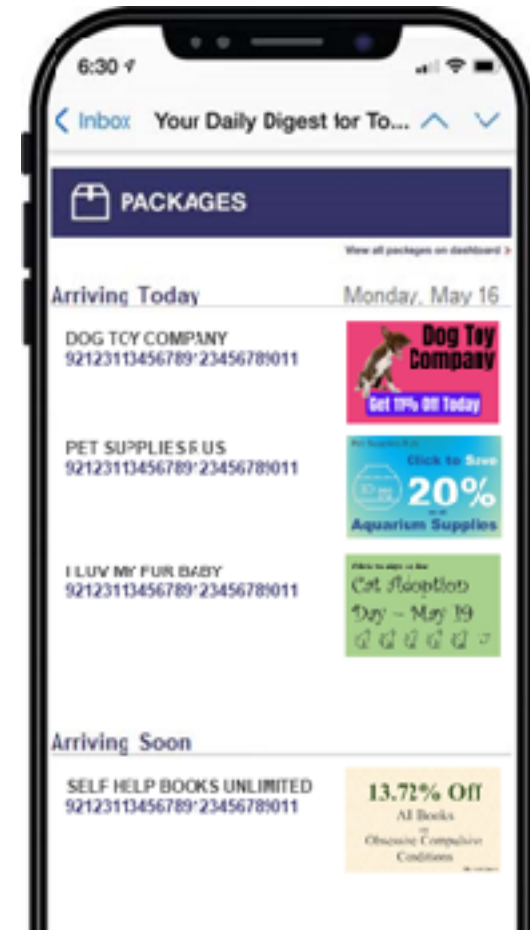
6-month period
USPS Internal Data as of July 31, 2022

Informed Delivery: Introducing Package Campaigns



Package campaigns are a new feature for businesses to reach their existing customers.

- Campaigns appeal along side package tracking information in several places
 - “Arriving Today”
 - “Arriving Soon”
- Custom images and links provide access to the shipper digital experience.



4.9 bn
packages in
Informed Delivery



96%

Consumers track their deliveries after ordering online.

43%

Consumers track their deliveries after ordering online daily.

Urban Dictionary defines “**pre-parcel anxiety**” as the feeling some consumers get when waiting for a package to be delivered.

4Over, "Survey Reveals Delivery Tracking Habits of Consumers," <https://blog.4over.com/delivery-tracking-consumers-statistics?msckid=52c61e2ccfa811ec88b9d44aa4f92fd1>.

Informed Delivery: Package Campaigns



The Informed Delivery® Program Office is continuing to onboard businesses to the Package Campaigns feature.



1564

Total Package Campaigns



1.4M+

Packages associated to campaigns



+11K+

Total Click Throughs



1.03%

Click Through Rate



62.6%

Email Open Rate

Sign Up

Anyone interested in signing up for Package Campaigns should email us at IDPackageCampaigns@usps.gov.

More Info

For those seeking more information, check out the **Shipper Campaign Portal (SCP) Guide** on the Informed Delivery® for Business Mailers website: <https://www.usps.com/business/informed-delivery.htm>

Data from start of the program to July 31, 2022



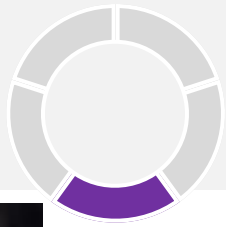
Brands –

Get your message in front of customers when they are most excited about your products.

Service Providers –

Help your shipping customers turn package tracking into brand engagement.

Informed Delivery: New Tools



This Summer, we introduced a set of tools to facilitate the creation of Informed Delivery content for campaigns.

These tools are designed to assist small shippers and mailers with creating marketing content.

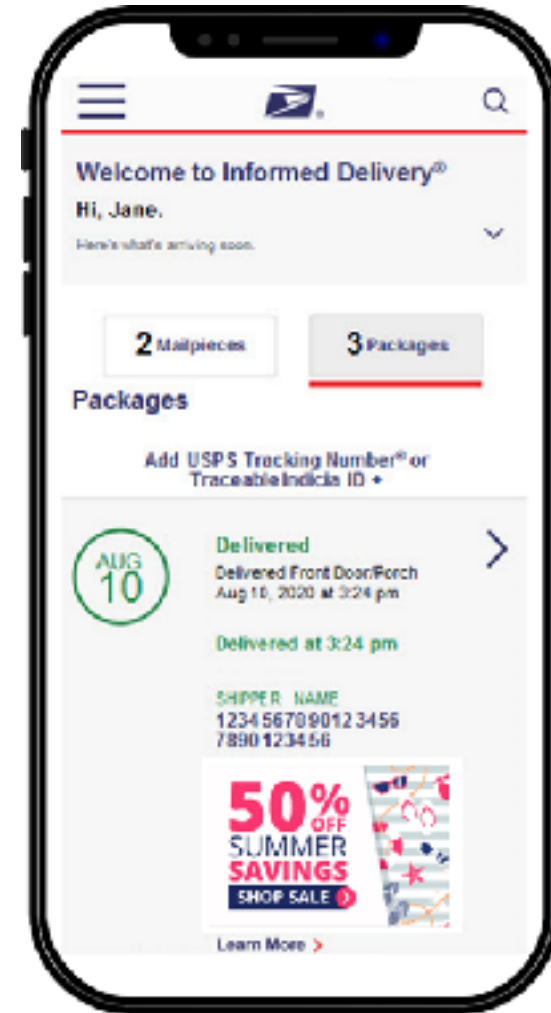


Informed Delivery: Image Library



Library of editable and downloadable images that shippers and mailers can use to create their own Informed Delivery calls-to-action

- Simplifies campaign creation process for small brands.



Informed Delivery: Coupons



Library of editable and downloadable coupons that shippers and mailers can configure and use both digitally and in print

- Provides coupon capability to brands who may not have the infrastructure or expertise.



Informed Delivery: Click-N-Ship



Enables small businesses to create an Informed Delivery Package Campaign.

1 Small businesses create a label and clicks to create a “Digital Banner.”

2 User provides all necessary fields to create the Package Campaign including image, brand name, and URL.

Click-N-Ship® Create a Label / Preferences / Shipping History / Address Book / Shipping Certificates

Thank you for choosing the United States Postal Service®. [Cancel & Return Label](#)

Payment Confirmation

Order #: 123456789

Account Number: 1234567890
Created by: Profile
Order Total: \$5.45 (plus tax)

Print Your Labels

View Labels with QR Code and Control Panel on the Ship Date screen on the box.

Print labels with QR code. QR codes will print on the back of the page and the control panel will print on the front.

Print labels without QR code. Two labels will print on one page. Receipt information is also in your confirmation email and on the back of the box.

Print labels later at the Post Office. A Label Banner™ code will be sent to you that you can use to enter your website.

Labels™ Reader™. Use right-click to print or save labels.
[Download Adobe® Reader™](#)

Create and print a 30M Form for your labels.

[Print Labels](#) [Save as PDF](#)

<input type="checkbox"/>	Shipping Address	Package Details	Service	Digital Banner	Label Number
<input type="checkbox"/>	1234567890 1234567890 1234567890 1234567890	1234567890 1234567890 1234567890	1234567890 1234567890 1234567890	Create	1234567890



Configure Digital Banner Details

X

PAPER SALE
50% OFF
SHOP & SAVE

Brand Display Name:

Link URL:

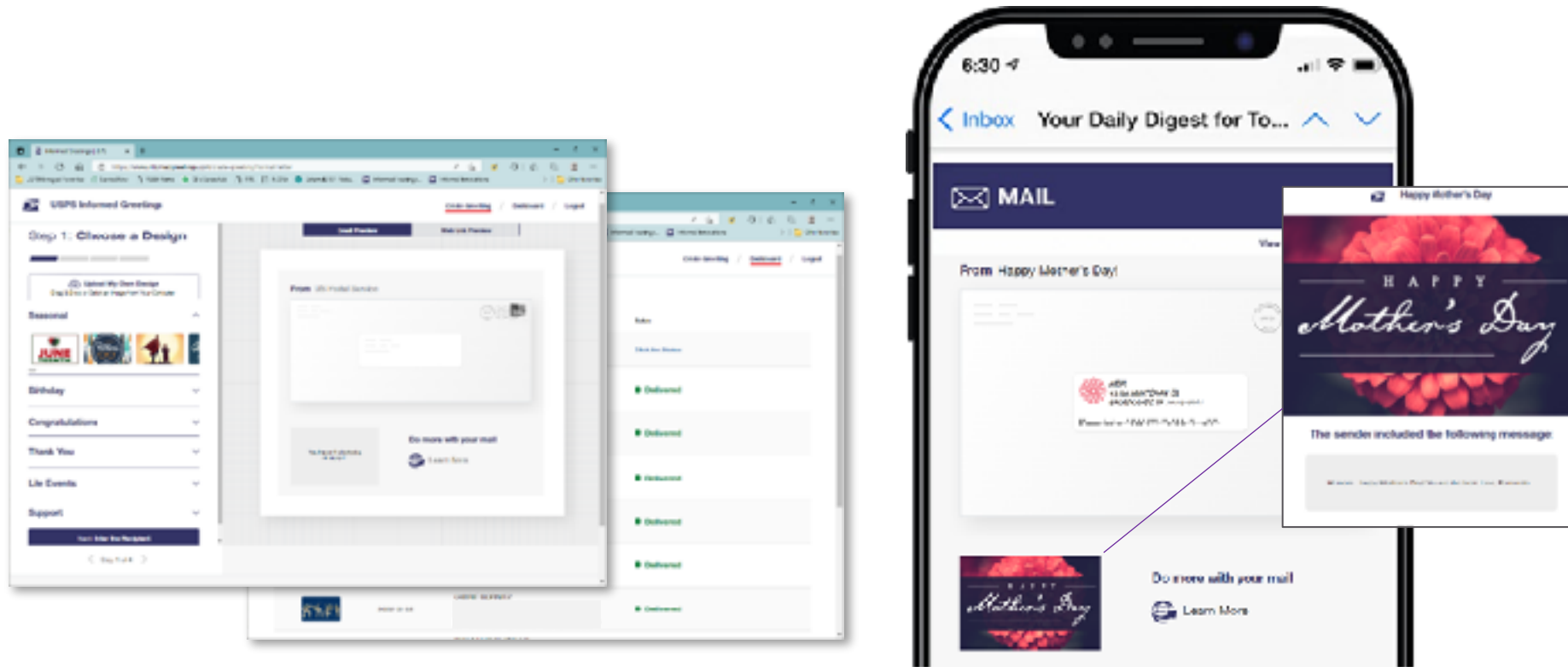
I have read, understood, and agree to the [Terms and Conditions](#) for creating accounts that be automatically included in participating campaigns and I may receive mail based on my selections.

[Go Back](#) [Preview Digital Banner](#) [Save](#)

Informed Greetings



Simple experience for consumers to create personal campaigns and track their mail pieces provides a digital but personal touch to cards and letters.



Coming Soon: Mail Delivery Notifications



Launching Mail Delivery Notifications in 12 ZIP Codes,

- Measuring accuracy of the notifications

Mail Delivery Notifications provide **real-time alerts** when letters and flat-sized mail are delivered, helping users manage their day.



Promotions are back in 2022



OVERVIEW

Conduct an Informed Delivery® campaign on qualifying mailpieces and receive a 4% discount on postage



DETAILS

Promotion Period: August 1, 2022 – December 31, 2022

Registration opens: June 15, 2022

Promotion offer: 4%

Register on PostalPro

Get Started Today



Want to learn more and get started with Informed Delivery Package Campaigns?

1 Contact us

Email us at:
IDPackageCampaigns@usps.gov or
contact your USPS Sales
representative to schedule an
onboarding session

2 Get account access

Work with Informed Delivery
Program Office to get account
access

3 You're good to go

Start creating campaigns!

<https://informed.uspsinnovation.tech/>



Will provide new visibility into your Remittance Mail by creating and provisioning “stop-the-clock” events

Current State: Available Today

- First-Class Mail scan-based data available to customers through their IV-MTR accounts

Future State: Next Steps

- Two new scans:
 - *“Available For Pickup”*
 - *“Tendered To Agent”*
- Transform the new Remittance Mail scans into events in IV-MTR for external visibility at volume/piece level

Estimated Timeline

- End of FY2023 for the new scan events to be provisioned through IV-MTR

Artificial Intelligence Virtual Agent (AIVA)



What it is

- Understands natural language to determine intent
- Uses AI models for delivery predictions
- Answers questions
- Performs actions (ex: set up alerts)

What it does

- Tracking updates
- Predictive delivery
- Text alerts
- Next Steps
- Create a case
- Answers passport questions
- Creates passport appointments
- Coming soon:
 - Automatic follow-up with customers for delayed or lost packages
 - Expand AIVA to new platforms

Progress

- **63% of callers do not require an agent**
- Higher issue resolution than IVR
- More issues solved on the first call
- 125,000+ calls per month
- \$5M+ in cost avoidance



Retail Transformation – Delivering for America

“A modern, transformed network of Post Offices – designed as go-to destinations to support community needs, providing a wider range of government and commercial services, and better aligned to customer demand”

Retail Innovation

1. Label Broker

- Store label or customs forms

2. Rapid Dropoff Stations

- Print label & send package

3. Alternate Delivery API

- Receive package directly in Smart Locker

4. New Redelivery Option

- Redelivery to Smart Locker

5. Government Services

- Expanding service offerings

Enhance Parcel Lockers with key changes to turn Lockers into “time of decision” choices:

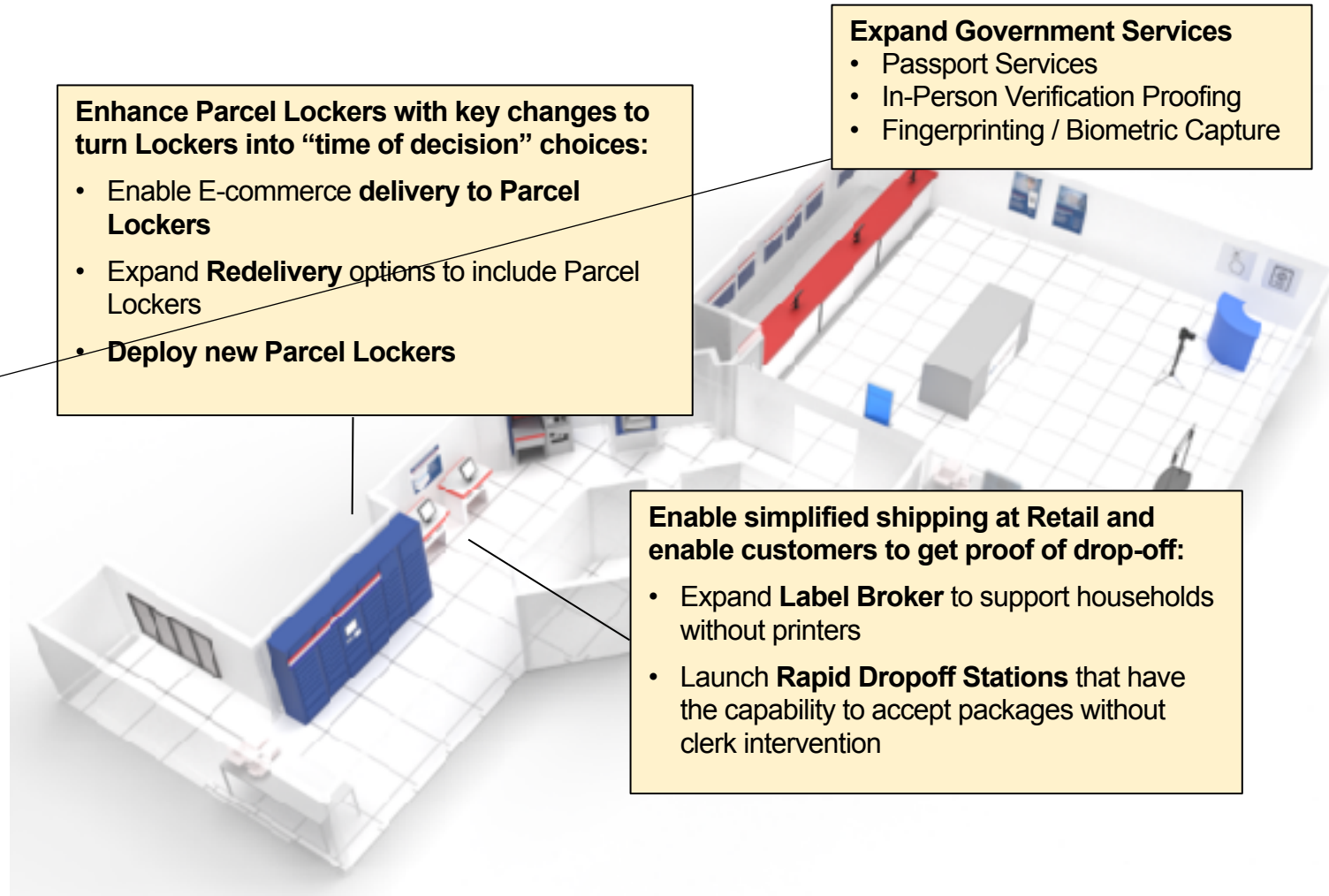
- Enable E-commerce **delivery to Parcel Lockers**
- Expand **Redelivery** options to include Parcel Lockers
- **Deploy new Parcel Lockers**

Expand Government Services

- Passport Services
- In-Person Verification Proofing
- Fingerprinting / Biometric Capture

Enable simplified shipping at Retail and enable customers to get proof of drop-off:

- Expand **Label Broker** to support households without printers
- Launch **Rapid Dropoff Stations** that have the capability to accept packages without clerk intervention



Simplified Shipping at Retail: Label Broker

Label Broker supports returns and adds new functionality for Package-less Returns.

- Printing solution for customers without a printer
 - Securely stores label images in a USPS® cloud-based repository
 - Label Broker is currently available at 19,000+ Post Office locations and USPS.com
 - **1 million labels printed each month**
- Targets returns and infrequent sellers on marketplaces
- Coming soon: 24-hour self-service options (Self-Service Kiosks, Rapid Dropoff Stations)
- Interested? Contact your USPS Account Manager or labelbroker@usps.gov



Simplified Shipping at Retail: Rapid Dropoff Stations

Enables customers to skip the line in retail to ship Label Broker packages and do acceptance on pre-printed labels.

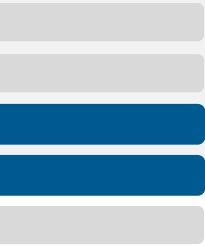
- Provides customers with a scan and receipt

Progress:

- Currently rolling out stations in FY23
- Team working with Commercial Acceptance group to potentially offer mail drop-off stations in Business Mail Entry Units (BMEU).

Early implementations are showing 30% diversion from retail counter to the RDS





Giving you more ways to provide your customers with secure & accessible ways to receive packages close to home

Progress:

- Supporting S&DC with Smart Locker solution
- Effort under way to improve utilization at existing units and to prepare for new opportunities
 - Primary function of existing lockers is P.O Box packages

New upgrades underway:

- Improve the **Redelivery** process by allowing failed first-attempt packages to be redelivered to lockers
- Deploy a configurable **Alternate Delivery API** to allow eCommerce merchants customers to enable “Delivery to Smart Locker” during end-user checkout
 - USPS will make this feature available for Click-N-Ship customers



The USPS retail network provides unmatched access to the US population



US Population within 5 miles of a USPS *Retail (RSS)* Location

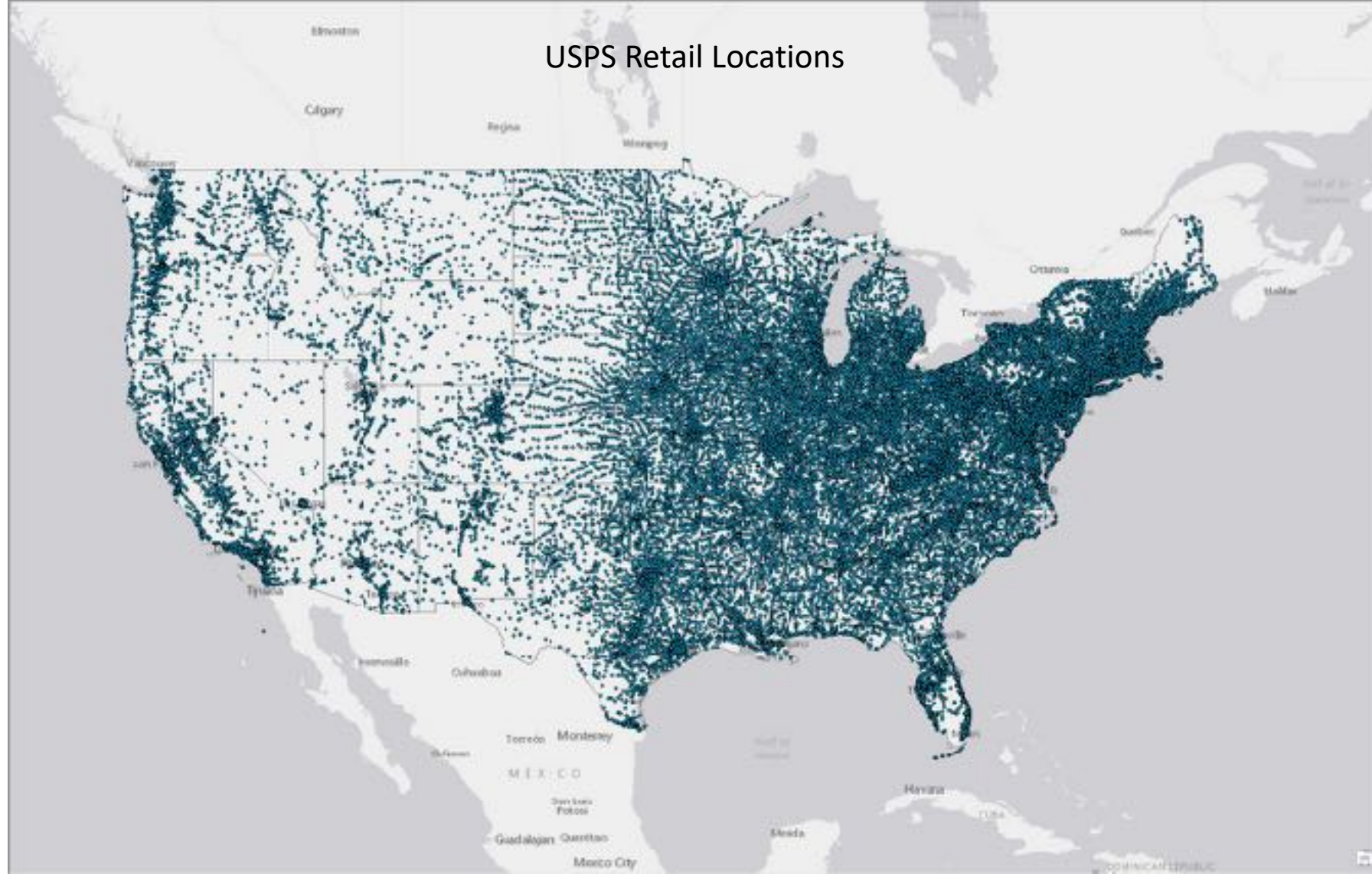
95%

US Population within 10 miles of a USPS *Retail (RSS)* Location

99%

US Population within 10 miles of a USPS *Passport* Location

90%



USPS Government Services: a proven track record in Identity Services

Passport Services

- Helps people travel
- 7M annual US passport applications
- 4000+ passport sites

In-Person Verification Proofing

- Helps people who have failed online verification checks get access to government services
- Active at 18K locations
- Pilots planned with several federal agencies

Fingerprinting / Biometric Capture

- Background checks for employment or volunteering
- Over 242K fingerprints captured at 189 locations for federal partner
- 50% process time reduction

PIV Card Services

- Useful for new employee onboarding
- 6 Active Sites with USAccess
- Over 30K appointments to date



Solve modern identity challenges...



Reduce fraudulent activity



Increase access to services for under-served populations



Improve customer experience with more convenient locations



Improve access, security, and visibility through USPS ecosystem of services

USPS is making progress at the center of identity

230K+
Identities verified through IPP

1M+
Fingerprints processed (internal + Federal)

97.9%
In-person proofing pass rate



7M
Passport identity Documents processed annually

18K
Post offices available with IPP service

USPS has a history of success with identity services

with further expansion planned



189

Biometric locations active in FY22

4,000

Biometric locations by end of FY24



Additional pilots and programs planned with federal agencies planned for FY23 and beyond