

DELIVERING FOR AMERICA

OUR VISION AND TEN-YEAR PLAN TO ACHIEVE FINANCIAL SUSTAINABILITY AND SERVICE EXCELLENCE

The Postal Service is a fundamental part of our nation. For more than 240 years, we have bound the nation together, and today we deliver mail and packages to American homes and businesses six and seven days a week. We have one of the best last-mile delivery networks in the world, which enables commerce, provides a powerful channel for marketing and communications and sustains the e-commerce economy. Our reach is unparalleled—delivering nearly half of global mail volume, and goods and services to more than 160 million addresses across the country; and ninety-nine percent of the population has a Post Office within 10 miles of where they live.

And yet, our organization is in crisis. The Postal Service has recorded \$87 billion in financial losses over the last 14 years and failed to meet service standards. Our business and operating models are unsustainable and out of step with the changing needs of the nation and our customers. Years of chronic underinvestment in our infrastructure and network have taken its toll on our performance and workforce.

COVID-19 HAS EXACERBATED OUR PROBLEMS

The COVID-19 pandemic and the record volume of packages that resulted from it during our peak holiday season would have been difficult for the Postal Service to absorb under the best of circumstances. But because our long-standing challenges were allowed to persist for too long, the Postal Service's network was less resilient, and less capable of responding to the pandemic's impacts than would otherwise have been the case.

HASTENED SHIFT IN MAIL/PACKAGE VOLUME While mail was forced into steeper decline by the pandemic, package volume increased dramatically. This shift further stressed an already misaligned and outdated mail network.

EMPLOYEE AVAILABILITY The number of employees quarantined due to their own illness or due to exposure reached 122,913 of our more than 644,000 workforce thus far. This profoundly impacted our service performance especially during the peak holiday season.

TRANSPORTATION The scarcity of airplane and truck capacity, and the industry competition for both of those transportation modes, impacted our ability to deliver throughout 2020 and especially during the peak holiday season.

OUR PATH FORWARD while these problems are extremely serious, we are optimistic about our future.

THE PROBLEMS WE'RE ADDRESSING THROUGH THE IMPLEMENTATION OF THIS PLAN



Hastened shift in demand away from mail to packages



Misaligned mail and package processing operations



Underperforming air and surface transportation network



Unattainable First-Class Mail service standards



Prolonged underinvestment in retail and delivery network



Misaligned and redundant organizational design



High turnover rate within our non-career employee workforce



Long-overdue pricing regulation changes from the PRC



Onerous legislative and administrative mandates

DELIVERING FOR AMERICA

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

Our plan establishes clear strategies to quickly achieve financial stability and service excellence. Our plan will generate enough revenue to cover our operating costs, enable investments in our people, infrastructure and technology, and simultaneously provide our customers and the American people with the excellent service they expect and deserve.

By implementing the totality of the strategies identified in the Delivering for America ten-year plan – and doing so in a timely manner – **we will operate with a positive net income beginning in FY2023 or FY2024** and reverse a projected \$160 billion in losses over the next ten years.

KEY CAPITAL INVESTMENTS

This plan includes over **\$40 billion in capital investments over the next ten years** which is over \$15 billion more than in our base capital plan.

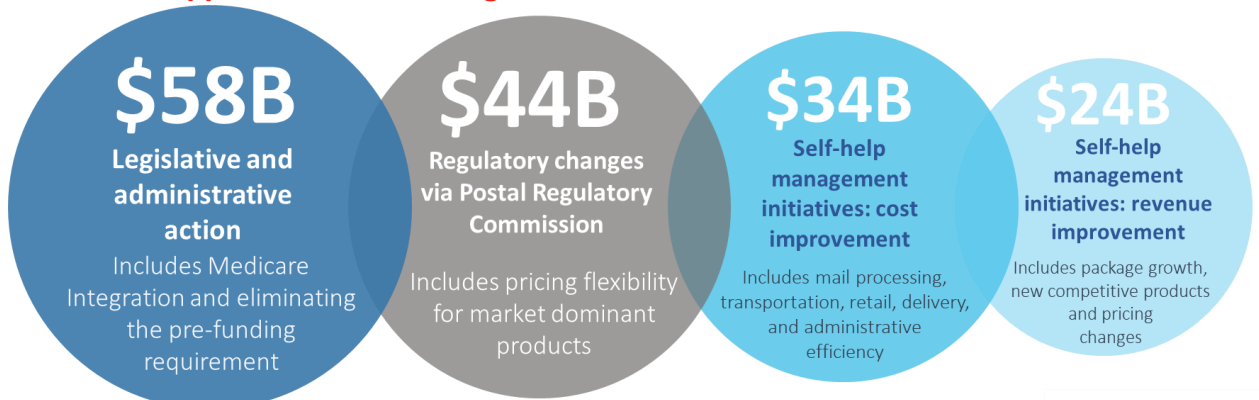
- ✓ **\$20 billion** towards our mail and package processing network, including USPS facility space upgrades and procurement of new processing equipment.
- ✓ **\$19 billion** towards our retail and delivery network, including upgrades to retail lobby spaces and acquisition of a Next Generation Delivery Vehicle fleet.
- ✓ **\$2 billion** in technology upgrades, including upgrades to major IT systems.

These investments will enable us to modernize the Postal Service, ensure that we can adapt to the changing needs of our customers, provide excellent services for both our mail and package products, and achieve our universal service mission today and for generations to come. Only through these investments will we achieve financial sustainability, grow our business, and achieve service excellence over the coming decade.

TRANSFORMATIONAL GOALS

- 1 A strengthened public service mission including **6 and 7 days of mail and package delivery**
- 2 Service standards that foster service excellence - **95 percent on time reliability**
- 3 A bold approach to **growth, innovation** and continued **relevance** - \$24 billion of new revenue
- 4 With congressional support, **electric delivery fleet by no later than 2035**
- 5 Best-in-class **mail and package processing and delivery operations**
- 6 A modern, **transformed network of Post Offices** designed as go-to destinations
- 7 A fully **optimized surface and air transportation network**
- 8 A stable and empowered workforce including **reducing non-career workforce turnover by 50%**
- 9 An organization **structured to support effectiveness**
- 10 A **supportive legislative and administrative framework**
- 11 A more rational pricing approach including the **judicious implementation of new and existing pricing authority**

Our balanced approach to revitalizing the Postal Service



Read the full plan at usps.com/deliveringforamerica