



Mailers Hub

*Bringing Commercial Mailing,
Resources, and Solutions Together*

Mailers Hub is the only national organization exclusively serving commercial mail producers, including printers who mail and mailers who print, as well as in-house mail operations and advisors to the trade.

Our sole purpose is to provide information, training, and support on mailing, postal, and related issues to all companies, regardless of the class or category of hard copy mail they produce.

For more information, please visit us at MailersHub.com or contact us at info@mailershub.com or 703-831-3151.

1



USPS SERVICE STANDARDS

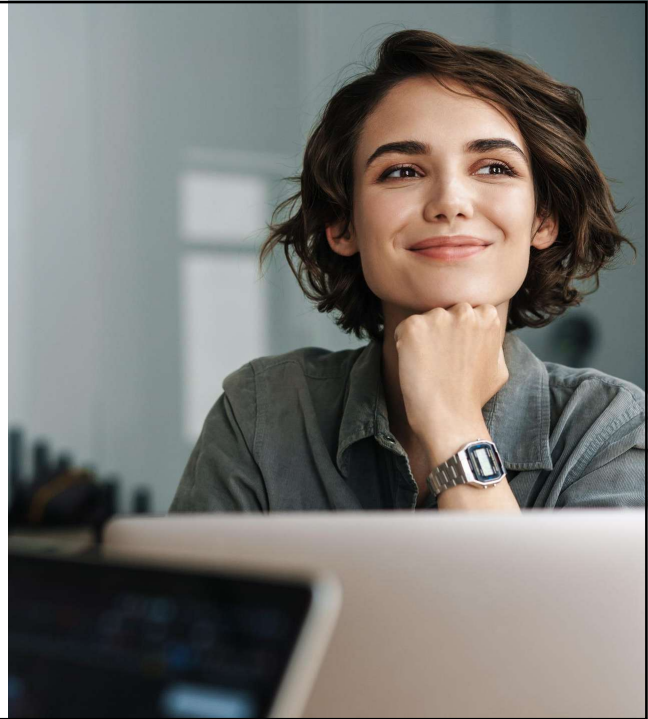
JUST HOW LONG SHOULD MAIL TAKE?

Dave Lewis
President, SnailWorks

2

OUR MISSION

SnailWorks leverages advanced USPS programs and a world-class web platform to deliver *direct mail insights and solutions*



3

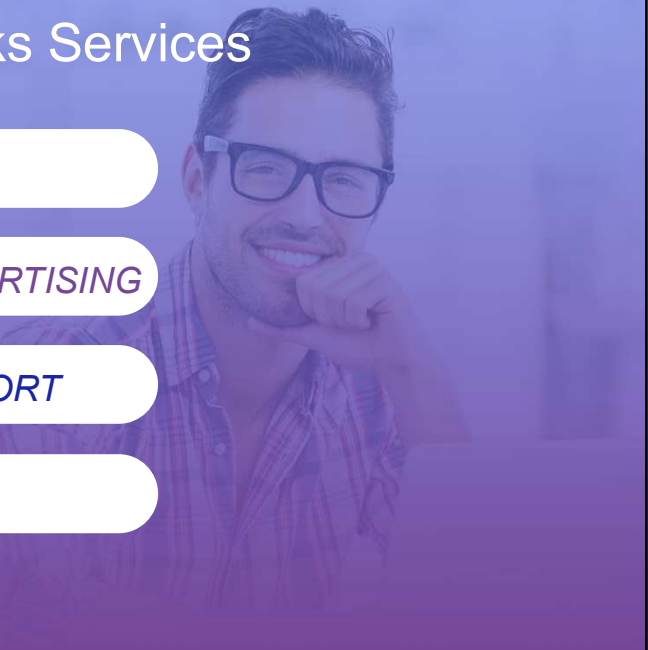
SnailWorks Services

MAIL TRACKING SERVICES

INFORMED DELIVERY ADVERTISING

DIGITAL MARKETING SUPPORT

POLITICAL MAIL TRACKING



4


OUR AGENDA TODAY

- The Postal Service is changing service standards...again.
- How do the new service standards work?
- Why should you care?
- How long does mail really take?

SNAILWORKS

5

Louis DeJoy
Postmaster General, CSO



February 17, 2025

GOVERNORS

As I approach the end of my fifth year as Postmaster General of the United States, I reflect on my first days at the Postal Service during the early period of the COVID pandemic. At that time, the Postal Service was in disarray. It was on a crash course to run out of cash in 60 days; it had incurred two decades of losses amounting to \$90 billion; it had over \$20 billion in deferred facilities maintenance, and it had no plan for turning the situation around. Back then, 10-year projections forecast another \$200 billion in losses over the next decade.

As you know, I have worked tirelessly to lead the 640,000 men and women of the Postal Service in accomplishing an extraordinary transformation. We have served the American people through an unprecedented pandemic and through a period of high inflation and sensationalized politics. Our successful role in delivering approximately 930 million COVID test kits to 91 million households is only one testament to the superb work performed in these last five years on behalf of the American people.

Our achievement of \$1 billion in controllable income and \$140 million in GAAP profit for the most recent quarter is a strong indicator that the Postal Service is on the path to fulfilling its long-neglected legal duty to operate in a self-financing manner. We have reduced the cost of operations and have grown revenue substantially while executing a massive organizational and operational transformation. Our new package shipping products are extremely popular and are overtaking the marketplace.

In any other organization the disruptive accomplishments we have made to date would have created an easier path forward versus the Herculean one we still face today. This situation reflects how tragic our condition was when we started this journey, the negative consequences the past four years of a pandemic and historic inflation, the resistance we face to our initiatives for change, and to a certain extent, our failures in execution on what is otherwise a very solid business plan.

Our business model has been broken for over two decades. Our mission spans 31,000 facilities across the nation that serve as origin points for 260,000 routes that reach more than 168 million delivery points at least six days a week. This is a massive structure that requires precise alignment between revenue producing products and services, the cost of operations, and the performance expectations we offer our customers. This alignment requirement was long ago ignored or abandoned causing catastrophic losses, diminished viability of our products and significant service performance disappointments.

For example, our single piece First-Class Mail volume has declined by 80 percent since 1998, yet we still deploy operating practices and adhere to archaic service performance standards as if mail volume was as abundant as it was back in that time. Our approach to the package shipping industry in years past offered products that were ill-conceived and not compelling to the market and ceded our core strengths to ease the work of our competitors to our detriment, leaving us with the difficult tasks to fulfill through ill-considered, random, and costly practices. To add to the misalignment, we lacked the organizational and operating practices, technology and equipment, and light necessary to be successful in our mission.

- 2 -

Together with the Board and my Postal associates, we have championed the Delivering for America Plan that has not only paid attention to our legal obligations to provide prompt, reliable, and efficient service and be financially self-sufficient, but that also recognized that to achieve these parallel goals we must accept the simple logic that dramatic change must occur and must occur fast. The law requires us to cover our costs through the sale of Postal products and services, and by running a cost-effective operation. For a variety of reasons, we have not been able to do this in the past. Today we do, and we are working diligently to achieve that outcome. As you know, balancing cost and service is essential as we receive almost no funding from the Federal government.

To continue to set the organization on the right path for a viable future for decades to come we have initiated the following major strategies and identified outcomes:


- Transportation cost reductions of \$2 billion annually.
- Mail processing cost reductions of approximately \$1.5 billion annually.
- Revenue growth initiatives of approximately \$5 billion.
- A significant incentivized reduction in the workforce to right-size the organization enabled by an improved operating model.
- A major deployment of new vehicles.
- An air and ground network modernization that rivals those of our formidable competitors.
- Maintenance, rehabilitation and equipping efforts to several thousand facilities to recover from years of neglect.
- A suite of new package shipping products to generate billions in new revenue at a lower cost.
- A sales organization that successfully penetrates the marketplace.
- An engaged and productive workforce.
- New rules for mail and package flow that aggregate and accelerate significant volume.

The above initiatives will take several years to accomplish and to perfect. As I look around the organization, I see many long-term retirement eligible employees sticking around based upon their pride in, and commitment to, our Delivering for America plan. That said, it is time for us together, to think about and plan for the inevitable changing of the guard in many areas of our organization, to ensure that the new culture we have developed survives our tenure, including mine, and continues to thrive.

Postmaster General is a demanding role made more difficult by the devastating condition I found the Postal Service in when I arrived and the almost unceasing resistance to change — without offering any viable solutions — from stakeholders motivated by both parochial and political purposes. The simplest and most obvious ideas and solutions receive illogical and irrational scrutiny from those that have no responsibility for ensuring the financial viability of the Postal Service. This, combined with industry lobbying, has held the organization back in the past from making the necessary changes. I have fought against this, and as a result I believe that I can fairly say that my tenure has been one of high expectations and vigorous action.

Today I am requesting that you begin the process of identifying a successor for my position as Postmaster General. While you undertake that process, my commitment is to devote my time and energy and being as helpful as possible in facilitating a transition that is the least impactful to the Postal Service and the American people, and that positions my successor and the Postal Service for long-term success.

I am proud to have served the American people and American businesses as Postmaster General. The United States Postal Service is a cherished American institution, and I am committed to ensuring the continued success of the Postal Service for all Americans after my departure.



Louis DeJoy

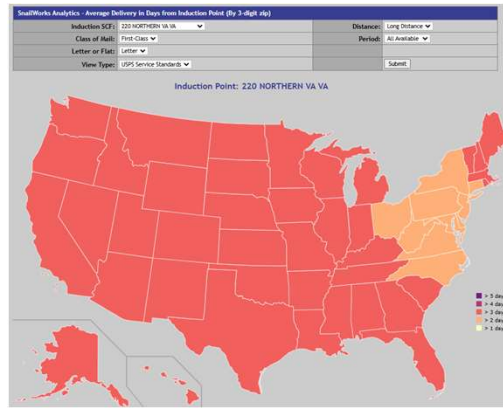
P.S. — I'm melting!!!

475 J. Robert Place SW
Washington, DC 20500-0010
www.usps.com

6

USPS SERVICE STANDARDS SEP 2021

FIRST-CLASS MAIL FROM 220

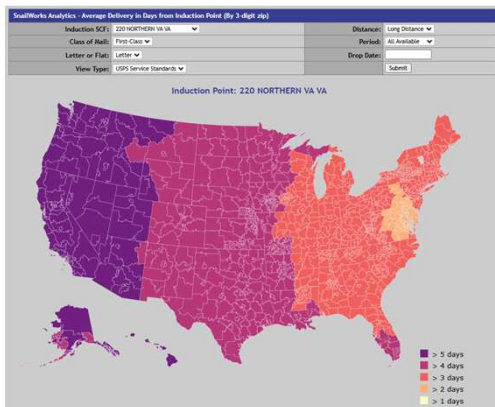


SNAILWORKS

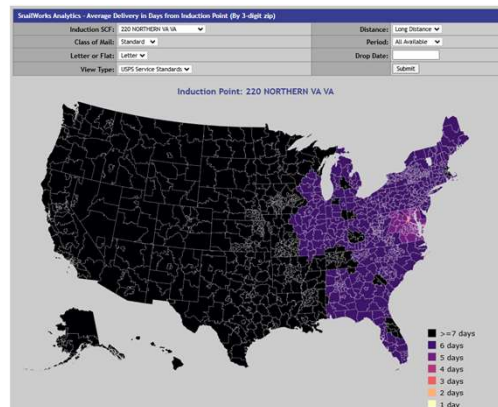
7

USPS SERVICE STANDARDS TODAY

FIRST-CLASS MAIL FROM 220



MARKETING MAIL FROM 220



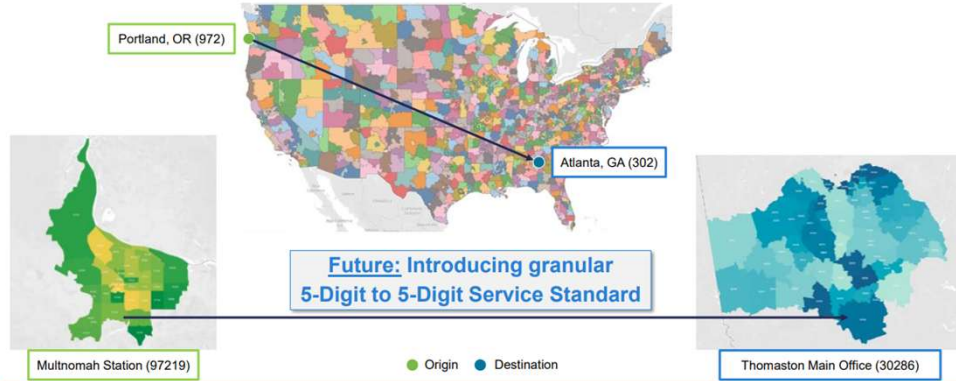
SNAILWORKS

8

USPS SERVICE STANDARDS PROPOSED

Moving from 3-Digit to 3-Digit to a 5-Digit to 5-Digit Service Standard

Current: Imprecise 3-Digit to 3-Digit Service Standard



Future: Introducing granular 5-Digit to 5-Digit Service Standard

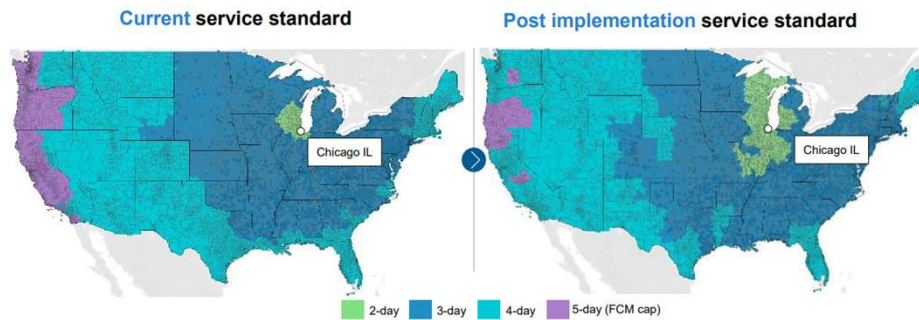
SNAILWORKS

9

FIRST-CLASS MAIL

Example: Expanding our reach for First-Class Mail

End-to-end view for Chicago ZIP 60130



Chicago originated mail will have faster service expectations with 21% of ZIP3s

SNAILWORKS

10

MARKETING MAIL

End-to-End Marketing Mail Service Standards

Service Standards*

Today	New
End-to-End Marketing Mail	End-to-End Marketing Mail
3-day – 9-day	4-day
3-day – 9-day	5-day
3-day – 9-day	6-day
4-day – 10-day	7-day

SNAILWORKS

11

MARKETING MAIL

Example: Expanding our Chicago Reach

End-to-end view for Chicago ZIP 60130, inside 50-mile RPDC radius

Current service standard

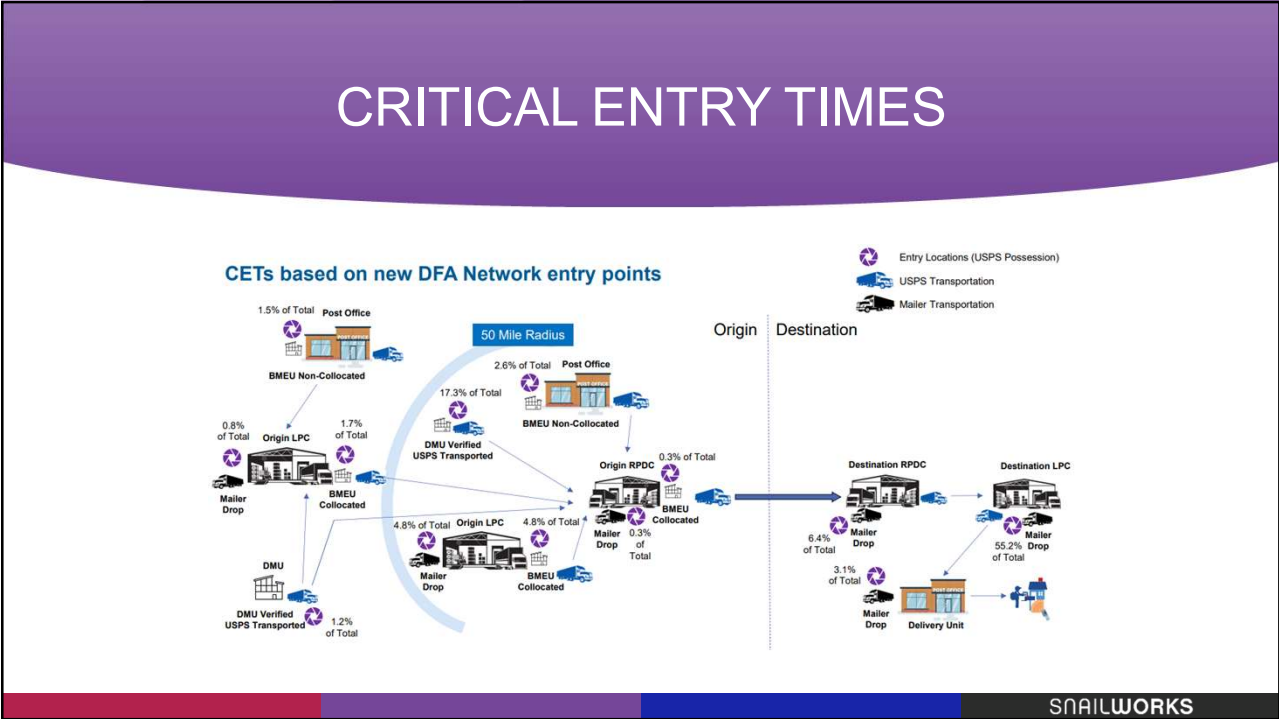
Post implementation service standard
oRPDC to dRPDC to dLPC path

■ 3-day
 ■ 4-day
 ■ 5-day
 ■ 6-day
 ■ 7-day
 ■ 8-day
 ■ 9-day

Chicago originated End-to-End Marketing Mail will have faster service expectations with 98% of ZIP3s

SNAILWORKS

12



13

CRITICAL ENTRY TIMES

Commercial Mail: Current Published CETs

Mail Class			FCM Overnight
Origin	BMEU	Non-Co-Located	0000
	BMEU Co-Located, Mailer and USPS Transported	L012 Scheme	1200
		All other make-up	0800

Mail Class			FCM 2 Day / 3-5 Day	USPS Marketing	Periodicals	BPM	
Origin	BMEU	Non-Co-Located	1500	1500	Listed Below	1500	
		Co-Located	1800	1500	Listed Below	1500	
	Mailer and USPS Transported	CSA	No Separation	1900			
			Working	2000			
			Presort	2100			
			Presort Assigned	2200			
			Hub - STC	2400			
			Hub - THS	0200P			
Destination	Drop-Ship	NDC, ADC, SCF, DDU	N/A	1600	Listed Below	1600	
		Tran HUB	N/A	1600	1600	N/A	
Periodicals (Origin and Destination)	Container Level	All except Mixed CR in 5-digit	N/A	N/A	0800	N/A	
		Mixed CR in 5-digit	N/A	N/A	1700	N/A	

SNAILWORKS

14

CRITICAL ENTRY TIMES

How we will set more precise CETs to ensure our customers know what is expected to access this improved service

Depth of sort	Volume & Capacity	Inject Location	Transportation Schedules
<ul style="list-style-type: none"> Piece processing at origin? Tray processing? Cross-dock only? 	<ul style="list-style-type: none"> Amount of volume tendered? Amount of capacity relative to dispatch? 	<ul style="list-style-type: none"> <50 miles or >50 miles from RPDC Retail? BMEU? RPDC? LPC? DMU? 	<ul style="list-style-type: none"> Time it takes to get from point of inject to the oRPDC will be <u>key</u>

Determine CET XX:XX

SNAILWORKS

15

CRITICAL ENTRY TIMES

Future types of Potential CET categories

CET Categories	CET Subcategories
BMEU Non-collocated	BMEU Non-Collocated > 50 miles
	BMEU Non-Collocated < 50 miles
BMEU Collocated	BMEU Collocated with LPC > 50 miles
	BMEU Collocated with LPC < 50 miles
	BMEU Collocated with RPDC
No CSA	No CSA - Entered at LPC > 50 miles
	No CSA - Entered at LPC < 50 miles
	No CSA - Entered at RPDC
With CSA - Container needs Piece Processing	With CSA - Container needs Piece Processing - Entered at LPC > 50 miles
	With CSA - Container needs Piece Processing - Entered at LPC < 50 miles
	With CSA - Container needs Piece Processing - Entered RPDC
With CSA - Container needs Tray Processing	With CSA - Container needs Tray Processing - Entered at LPC located > 50 miles
	With CSA - Container needs Tray Processing - Entered at LPC located < 50 miles
	With CSA - Container needs Tray Processing - Entered at RPDC
With CSA - Cross Docked Container	With CSA - Cross Docked Container - Entered at LPC > 50 miles
	With CSA - Cross Docked Container - Entered at LPC < 50 miles
	With CSA - Cross Docked Container - Entered at RPDC

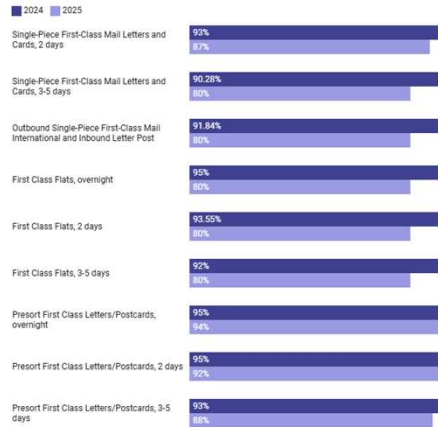
SNAILWORKS

16

WHO CARES? NOT THE PMG

USPS lowers delivery reliability targets

On-time performance expectations for First-Class Mail in fiscal years 2024 and 2025.



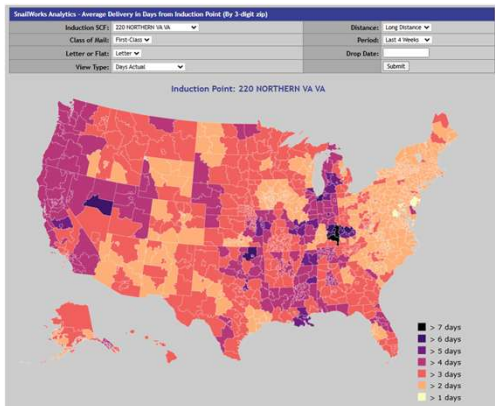
Note: The Postal Service's 2025 fiscal year began Oct. 1.
 Chart: Max Garland / Supply Chain Dive • Source: U.S. Postal Service • [Get the data](#) • Created with [Datawrapper](#)

SNAILWORKS

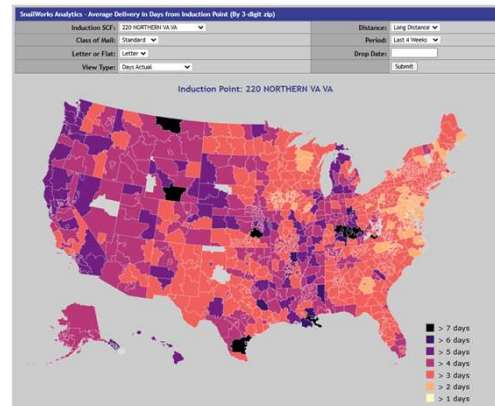
17

ACTUAL SERVICE PERFORMANCE

FIRST-CLASS MAIL FROM 220



MARKETING MAIL FROM 220

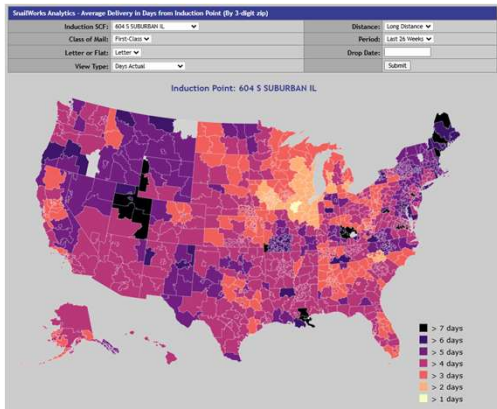


SNAILWORKS

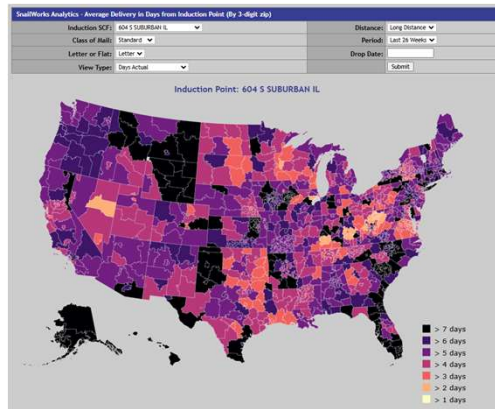
18

ACTUAL SERVICE PERFORMANCE

FIRST-CLASS MAIL FROM 604



MARKETING MAIL FROM 604

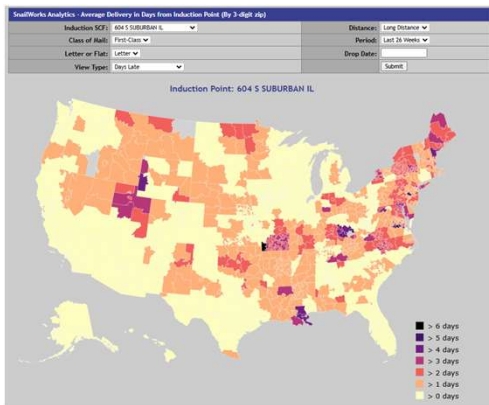


SNAILWORKS

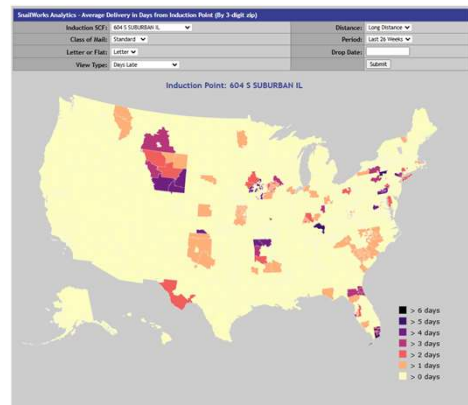
19

DAYS LATE VS EXISTING STANDARDS

FIRST-CLASS MAIL FROM 604



MARKETING MAIL FROM 604

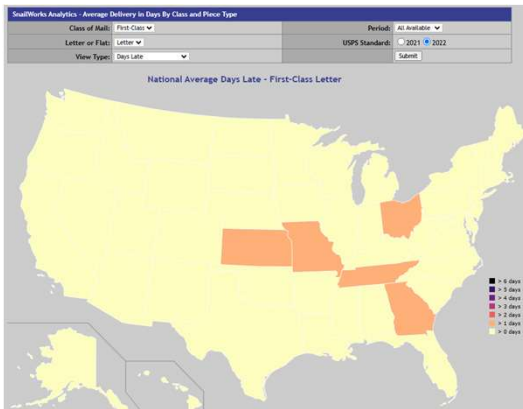


SNAILWORKS

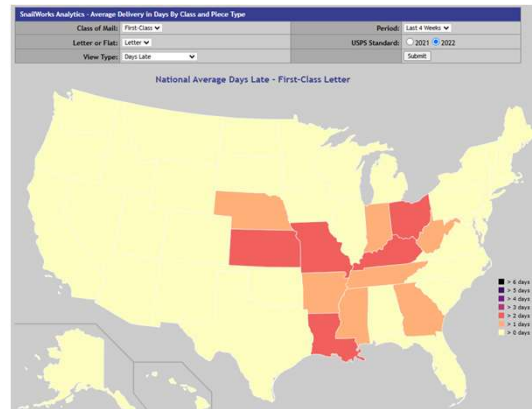
20

OVERALL STATE PERFORMANCE

FC LETTER – ALL DATA



FC LETTER LAST 4 WEEKS

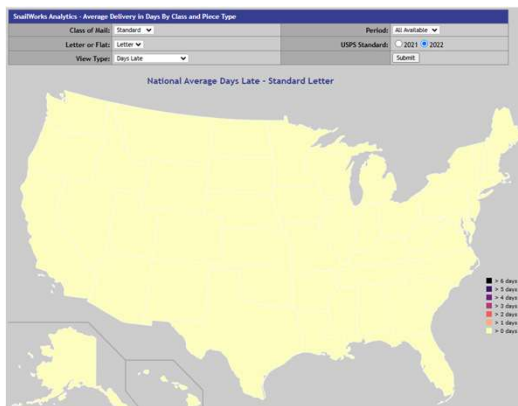


SNAILWORKS

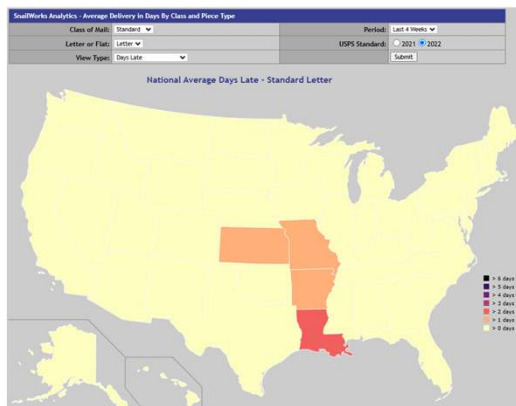
21

OVERALL STATE PERFORMANCE

MM LETTER – ALL DATA



MM LETTER LAST 4 WEEKS



SNAILWORKS

22

SO, WHAT SHOULD YOU DO?

- Don't worry too much about service standards – the Postal Service doesn't
- Do pay attention to CET changes
- Do know that performance changes over time – stay informed
- Do track your mail and pay attention. No one's performance matter except yours.

SNAILWORKS

23

RESOURCES

- SnailWorks.com
- postalpro.usps.com/node/13819
- Mailershub.com

SNAILWORKS

24



My mother-in-law never got the mail piece.

Did anybody?

Questions?

Dave Lewis:
Dlewis@SnailWorks.com

Karen Bartram:
Kbartram@SnailWorks.com