

USPS taking bold actions to deliver affordable mail service for the future

Written by By Victor Benavides, USPS Dallas District Manager
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American needs a financially stable Postal Service.

Toward that end, the Postal Service is taking aggressive actions to preserve the long-term affordability of mail and to adapt to a changing marketplace and evolving mailing needs.

Subject to adoption of a final rule changing its delivery service standards, the Postal Service is pursuing a significant consolidation of its national network of mail processing facilities that will reduce the number of facilities from 461 to fewer than 200 by the end of 2013. No consolidations will occur before May 5, 2012.

Declining mail volumes and substantial fixed costs dictate that we take this bold action to preserve and protect the world's leading Postal Service for our customers and our employees.

From 1940 to 2006, the Postal Service oversaw a continuous expansion of mail processing and retail facilities to meet growing demand for mail delivery.

This expanded capacity was built to handle high mail volumes that peaked at 213 billion pieces of mail in 2006.

However, since 2006, First-Class Mail volume has rapidly declined as the economy recessed and the age of digital communications advanced.

In 2011, 168 billion pieces of mail were delivered. By 2020, the Postal Service expects to deliver as few as 130 billion pieces.

By any standard, this is a steep decline.

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IN just the past quarter, the Postal Service lost \$3.3 billion and is projecting further losses for the remainder of the year.

No one is to blame. Times have changers. So must the Postal Service. The American public and businesses are relying more on electronic communications. Bills are paid online. Friend and family interact through Facebook and Twitter.

Nevertheless, the demise of the Postal Service is greatly exaggerated. The Postal Service sustains a \$900 billion industry that employs over 8 million people. Every day, we deliver to more than 151 million locations.

Even in a digital age, mail remains a powerful communications, marketing and delivery tool.

The aggressive steps we are taking to realign our mail processing network will keep mail affordable, valuable and viable for generations to come. These are responsible steps any business would take.