

United States Postal Service®

# INDUSTRYALERT

April 27, 2021

## U.S. Postal Service Accelerates Key Network Infrastructure Investments to Meet Customers' Evolving Mailing and Shipping Needs Ahead of 2021 Holiday Season

- *Accelerated investments include the procurement of 138 package sorters to be operational ahead of 2021 peak holiday season.*
- *45 additional annex facilities to support surges, overflow of packages, to be leased.*
- *Consistent with optimization and efficiency efforts paused in 2015, USPS will complete movement of mail processing operations at 18 facilities.*
- *Part of 10-year plan that – with full implementation – will spur cash flow and savings to make \$40 billion in capital investments over the next 10 years – including \$20 billion towards USPS' mail and package processing network, facility upgrades and procurement of new processing equipment.*

WASHINGTON, DC — As part of its 10-year plan to achieve financial sustainability and service excellence, the Postal Service announced today key network infrastructure investments to meet the evolving mailing and shipping needs of American public and business customers ahead of the 2021 holiday season.

These initiatives and investments include:

- An accelerated investment and procurement of 138 package processing sorters that will be operational ahead of the 2021 peak holiday season, with plans to purchase additional processing machines over the next 18 months as package volume grows. As USPS expands its role in the e-commerce marketplace, we will deploy and maintain a diverse suite of package sorters and material handling equipment to optimize processing throughputs. In March, USPS customer demand for package deliveries has grown 28 percent over a year ago.
- The leasing of an additional 45 annex facilities located near processing centers in key locations to support surges and overflow of packages.
- The movement of mail processing operations at 18 facilities previously paused in 2015. Those select moves will follow USPS' existing contractual process and be completed by November 2021. Due to the decline in mail volume, we will relocate or remove unnecessary letter and flat sorting equipment as appropriate to make space for much needed package processing. Moving, removing, and repurposing mail processing equipment and operations or “operational mail moves” is an ongoing Postal Service strategy dating back decades that allows for more efficient, timely delivery of mail and packages. A list of impacted facilities is available at [usps.com/deliveringforamerica](https://usps.com/deliveringforamerica).

“The Postal Service’s future depends on its ability to adapt to the evolving demands of our customers,” said Postmaster General and CEO Louis DeJoy. “These initiatives and investments give our employees the infrastructure

and technology they need to serve today's e-Commerce marketplace reliably and efficiently. This optimization will lead to more efficient and reliable performance in our plants, which in turn will enhance our ability to predictably and reliably deliver mail to the more than 161 million addresses we serve each day."

Employee impacts resulting from these operational changes will be handled in accordance with our negotiated contract provisions and these impacts will not result in employee layoffs.

With full implementation, the Postal Service's 10-year plan reverses a projected \$160 billion in losses over the next ten years. The Plan will spur cash flow and savings to make \$40 billion in capital investments over the next 10 years – including \$20 billion towards USPS' mail and package processing network, facility upgrades and procurement of new processing equipment.

Mail volume has declined by more than 39 billion pieces, or 23 percent, in the past 10 years and is continuing to decline. First-Class Mail has dropped 27 percent and single piece First-Class Mail — letters bearing postage stamps — has declined 41 percent during the same timeframe.

The Postal Service has a national network of mail processing facilities that processes and sorts nearly 430 million pieces of mail and packages to 161.4 million addresses at least six days a week. In 2020, the Postal Service delivered more than 129.2 billion pieces of mail and packages to customers located in every state and territory, county, city, town and rural area in the nation.

Additional information about the USPS 10-year plan can be found at [usps.com/deliveringforamerica](https://usps.com/deliveringforamerica).

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