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MEMORANDUM

October 7, 2021

TO: All Agencies

FROM: James Gast, Administrator

SUBJECT: United States Postal Service Delays & Temporary Price Increases

Service Delays

On October 1, 2021, the U.S. Postal Service (USPS) implemented a new service standard for First-Class Mail and Periodicals, which will result in delays for some categories of mail. Agencies will need to anticipate delays for mailings traveling longer distances and should consider date adjustments accordingly.

Most First-Class Mail and Periodicals will be unaffected by the new service standard changes. Standards for single-piece First-Class Mail traveling within a local area will continue to be two days. First-Class Mail traveling locally within a three-hour drive between originating and destinating processing facilities will maintain its current delivery standard of two days or less.

The Postal Service will increase time-in-transit standards by one or two days for certain mail that is traveling longer distances. Mail traveling the greatest distances will be the most impacted. Previous standards required three-day delivery for any destination within the contiguous U.S. with a drive greater than six hours, regardless of the miles traveled to deliver that mail. Now, however, First-Class Mail three-day volume will be delivered based upon a new three-, four-, or five-day standard depending on the distance between origin and destination. A more detailed list of time in transit for mailings is provided below:

<u>Distance Traveled</u>	<u>Time in Transit</u>
Presorted local mail	-
139 miles	3 hours
140-930 miles	3-20 hours
931-1,907 miles	20-41 hours
1,908+ miles	Over 41 hours
	Presorted local mail 139 miles 140-930 miles 931-1,907 miles

Temporary Price Increases

USPS is also implementing temporary price increases for the 2021 peak holiday season that will affect prices on commercial and retail domestic competitive parcels.

Temporary price increases for Priority Mail Express (PM), Priority Mail Express (PME), Parcel Select Ground, USPS Retail Ground, and First-Class Package Service are as follows:

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PM and PME Flat Rate Boxes and Envelopes - $0.75
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Zones 1-4, 0-10 lbs. \$0.25 Zones 5-9, 0-10 lbs. \$0.75 Zones 1-4, 11-20 lbs. \$1.50 Zones 5-9, 11-20lbs. \$3.00 Zones 1-4, 21-70 lbs. \$2.50 Zones 5-9, 21-70 lbs. \$5.00

First-Class Package Service - \$0.30

These temporary price increases will be in effect until December 26, 2021.

More information about USPS delays and temporary price increases can be found on the USPS website: https://about.usps.com/welcome.htm. Additionally, a USPS fact sheet on the service standard changes is attached to this memorandum.



DELIVERING FOR AMERICA

What you need to know about the United States Postal Service® Plan to achieve financial sustainability and service excellence

SERVICE STANDARD CHANGES

On October 1, the Postal Service will implement new service standards for First-Class Mail® (FCM) and Periodicals. These new service standards will increase delivery reliability, consistency, and efficiency for our customers and across our network.

Most First-Class Mail (61 percent) and Periodicals (93 percent) will be unaffected by the new service standard changes. Standards for single-piece First-Class Mail traveling within a local area will continue to be two days.

The Postal Service will increase time-in-transit standards by 1 or 2 days for certain mail that is traveling longer distances. By doing so, the Postal Service can entrust its ground network to deliver more First-Class Mail, which will lead to greater consistency, reliability, and efficiency that benefits its customers.

The service standard changes are part of our balanced and comprehensive Delivering for America Strategic Plan and will improve service reliability and predictability for customers and enhance the efficiency of the Postal Service network. The service standard changes that we have determined to implement are a necessary step towards achieving our goal of consistently meeting 95 percent service performance.

MYTH: All FCM and Periodicals will be impacted.

FACT: The majority will NOT be impacted: 61 percent of FCM and 93 percent of Periodicals will keep their current service standards.

Overall, **70% of First-Class Mail**volume would receive a standard of **1-3 days**

MYTH: 1- to 2-day delivery of FCM will be eliminated.

FACT: FCM traveling locally — within a 3-hour drive between originating and destinating processing facilities — will maintain its current delivery standard of 2 days or less.

MYTH: It is faster and more reliable to move mail by air than by surface transportation. The Postal Service's insistence on shifting from air to surface transportation will be detrimental to customers.

FACT: We do not own planes and lack control over factors affecting air transportation (e.g. availability of planes, cargo space, weather), but we do have a surface transportation network with a history of higher reliability, excess capacity, and better service performance.

MYTH: The Postal Service wants to cut back on service quality just to save money, which violates their mandated universal service mission.

FACT: These changes will improve service reliability, increase efficiency, and reduce costs while adhering to our universal service mission and moving us closer to our goals of financial sustainability and service excellence.

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WHAT ARE THE NEW SERVICE STANDARDS?

Mail traveling the greatest distances will be the most impacted. Current FCM 3-day volume will be subject to a 3-, 4-, or 5-day standard depending on the distance between origin and destination.

Delivery Standard	Distance Traveled	Time in Transit
1 Day	Presorted local mail	-
2 Day	139 miles	3 hour
3 Day	140-930 miles	3-20 hours
4 Day	931-1,907 miles	20-41 hours
5 Day	1,908+ miles	Over 41 hours



WHY NOT KEEP THE SERVICE STANDARDS WHERE THEY ARE NOW?

For many years, current FCM service standards have been unattainable because of changes in the market for mail and standards that are not based on delivery distances.

Current standards require 3-day delivery for any destination within the contiguous U.S. with a drive greater than 6 hours — whether it's 300 miles or 3,000 miles. Attempting to meet these standards led to an over-reliance on air transportation, which is less reliable and more costly than surface transportation. The result has been unreliable service delivery times, as the Postal Service has not consistently met its published service standards over the last 8 years.

With the FCM delivery standards going into effect on October 1st, more deliveries may occur via ground transportation (rather than air) through an optimized network that is highly reliable and efficient. With these changes and others under the Delivering for America 10-year plan, the Postal Service expects to meet or exceed its published delivery standards across all product classes 95 percent of the time, improving operational efficiency and precision, service reliability, and generation of efficiencies that help ensure affordable postage rates.

TIPS FOR CONSUMERS

With new service standards being implemented on October 1, USPS offers these tips for consumers:

- 1. Plan ahead For mail or correspondence that requires a deadline, the Postal Service encourages consumers to plan ahead and send their mail early. You likely wouldn't wait to mail your mom a Mother's Day card the day before or on Mother's Day, so mail your letters and greeting cards with the Postal Service early so the Postal Service can ensure it reaches its final destination on-time.
- 2. When sending mail long distance, mail early If it would take you more than a day to drive your mail to its destination, make sure to give your long-distance mail some extra time to travel with USPS.
- **3. Keep mailing letters!** The majority of First-Class Mail will be unaffected by the Postal Service's new service standards. In fact, these new standards mean your letters and mail will be delivered more reliably and consistently than they have been in previous years.

WANT TO LEARN MORE?

Visit us online at usps.com/deliveringforamerica