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New Strategy to Preserve the Nation's Smallest Post Offices Modifying Retail Window Hours Could Keep Offices Open

WASHINGTON — The U.S. Postal Service announced a new strategy today that could keep the nation's smallest Post Offices open for business, while providing a framework to achieve significant cost savings as part of the plan to return the organization to financial stability.

The plan would keep the existing Post Office in place, but with modified retail window hours to match customer use. Access to the retail lobby and to PO Boxes would remain unchanged, and the town's ZIP Code and community identity would be retained.

"Meeting the needs of postal customers is, and will always be, a top priority. We continue to balance that by better aligning service options with customer demand and reducing the cost to serve," said Postmaster General and CEO Patrick R. Donahoe. "With that said, we've listened to our customers in rural America and we've heard them loud and clear – they want to keep their Post Office open. We believe today's announcement will serve our customers' needs and allow us to achieve real savings to help the Postal Service return to long-term financial stability."

The new strategy would be implemented over a two-year, multi-phased approach and would not be completed until September 2014. Once implementation is completed, the Postal Service estimates savings of a half billion dollars annually.

"The Postal Service is committed to serving America's communities and providing a responsible and fair approach for our employees and customers," said Megan Brennan, Postal Service Chief Operating Officer. "The Post Offices in rural America will remain open unless a community has a strong preference for one of the other options. We will not close any of these rural Post Offices without having provided a viable solution."

The Postal Service will provide an opportunity for the Postal Regulatory Commission (PRC) to review this plan prior to making any changes. The Postal Service intends to file a request for an advisory opinion on the plan with the PRC later this month. Community meetings would then be conducted to review options in greater detail. Communities will be notified by mail of the date, time and location of these meetings.

This new option complements existing alternatives, which include:

- 1) Providing mail delivery service to residents and businesses in the affected community by either rural carrier or highway contract route;
- 2) Contracting with a local business to create a Village Post Office; and
- 3) Offering service from a nearby Post Office.

A voluntary early retirement incentive for the nation's more than 21,000 non-executive postmasters was also announced.

Survey research conducted by the respected Opinion Research Corporation (ORC) in February, showed 54 percent of rural customers would prefer the new solution to maintain a local Post Office. Forty-six percent prefer one of the previously announced solutions (20% prefer Village Post Office, 15% prefer providing services at a nearby Post Office, 11% prefer expanded rural delivery). This strategy would enable a town to possibly have a Post Office with modified hours, as well as a Village Post Office.

The Postal Service has implemented a voluntary moratorium on all postal facility closings through May 15, 2012. No closings or changes to Post Office operations will occur until after that time.

In addition to maintaining a retail network of more than 31,000 Post Offices, the Postal Service also provides online access to postal products and services through usps.com and more than 70,000 alternate access locations. Nearly 40-percent of postal retail revenue comes from purchases on usps.com and through approved postal providers such as Wal-Mart, Staples, Office Depot, Walgreens, Sam's Club, Costco, and many others.

The Postal Service receives no tax dollars for operating expenses and relies on the sale of postage, products and services to fund its operations.

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A self-supporting government enterprise, the U.S. Postal Service is the only delivery service that reaches every address in the nation, 151 million residences, businesses and Post Office Boxes. The Postal Service receives no tax dollars for operating expenses, and relies on the sale of postage, products and services to fund its operations. With 32,000 retail locations and the most frequently visited website in the federal government, usps.com, the Postal Service has annual revenue of more than \$65 billion and delivers nearly 40 percent of the world's mail. If it were a private sector company, the U.S. Postal Service would rank 35th in the 2011 Fortune 500. In 2011, the U.S. Postal Service was ranked number one in overall service performance, out of the top 20 wealthiest nations in the world, Oxford Strategic Consulting. *Black Enterprise* and *Hispanic Business* magazines ranked the Postal Service as a leader in workforce diversity. The Postal Service has been named the Most Trusted Government Agency for six years and the sixth Most Trusted Business in the nation by the Ponemon Institute.

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