



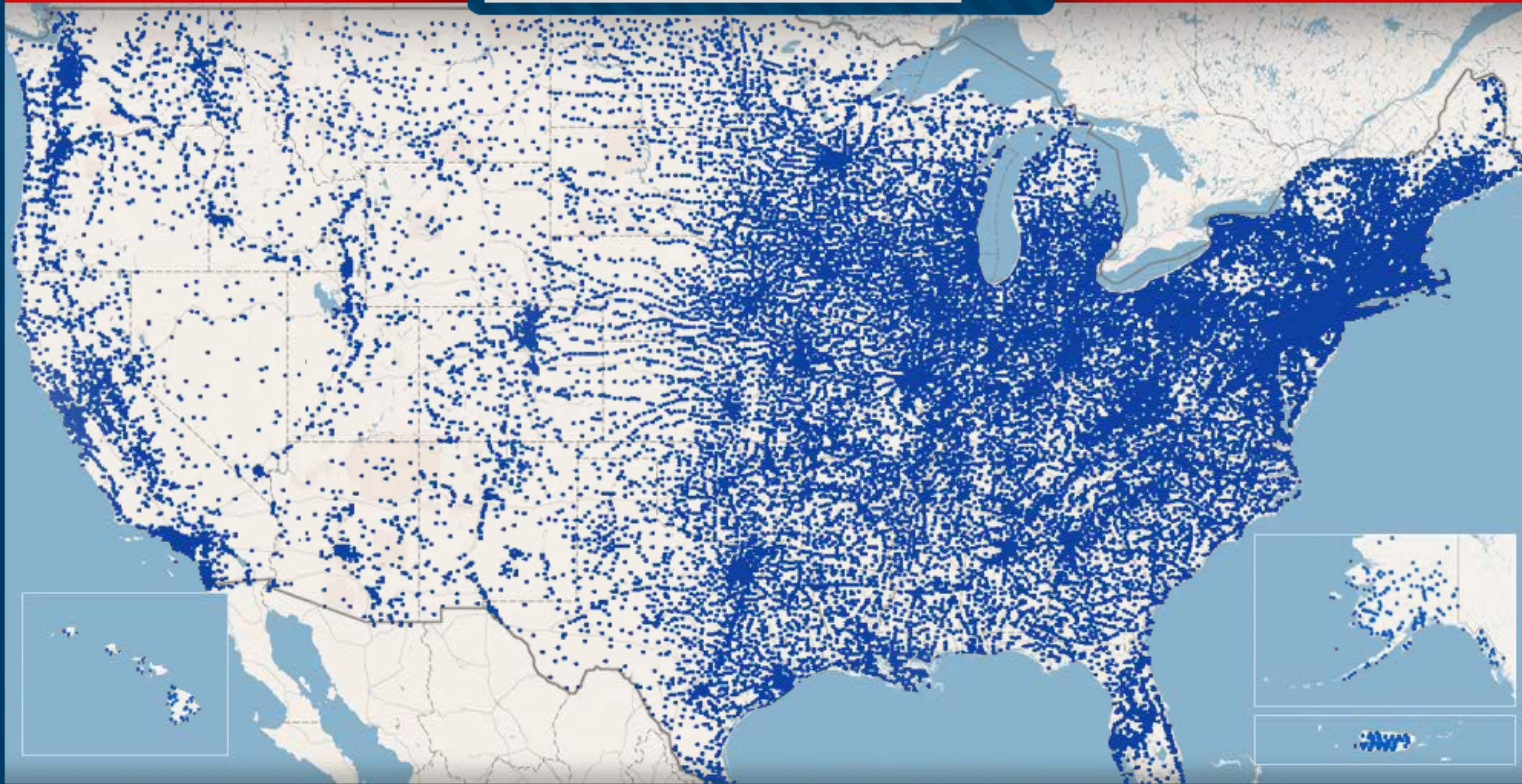
Our Plan to Preserve Rural Post Offices

May 9, 2012

Current Retail Locations



Enter an address or ZIP Code™ to find services **GO »**



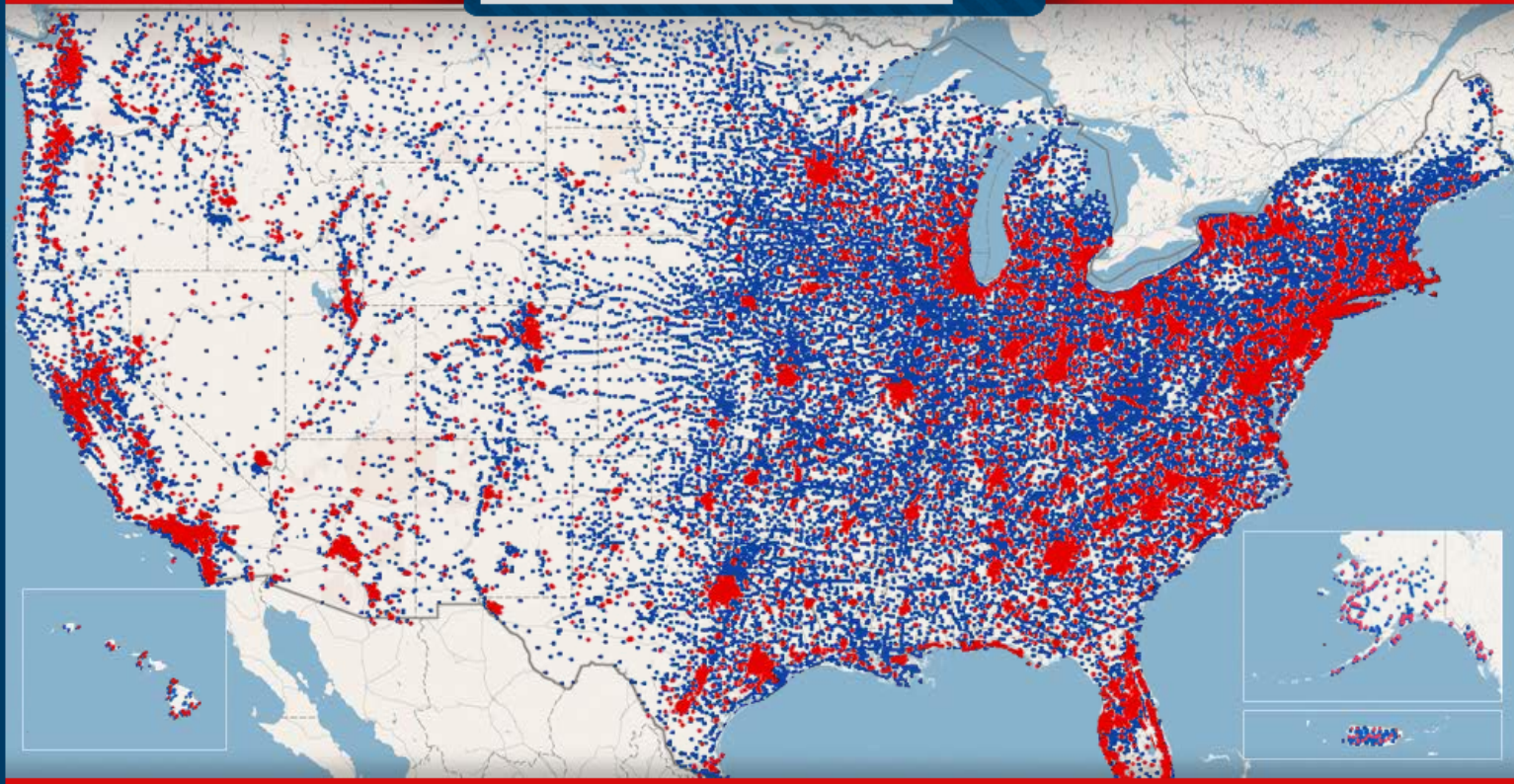
 **POST OFFICE™**

 **APPROVED POSTAL PROVIDER™**





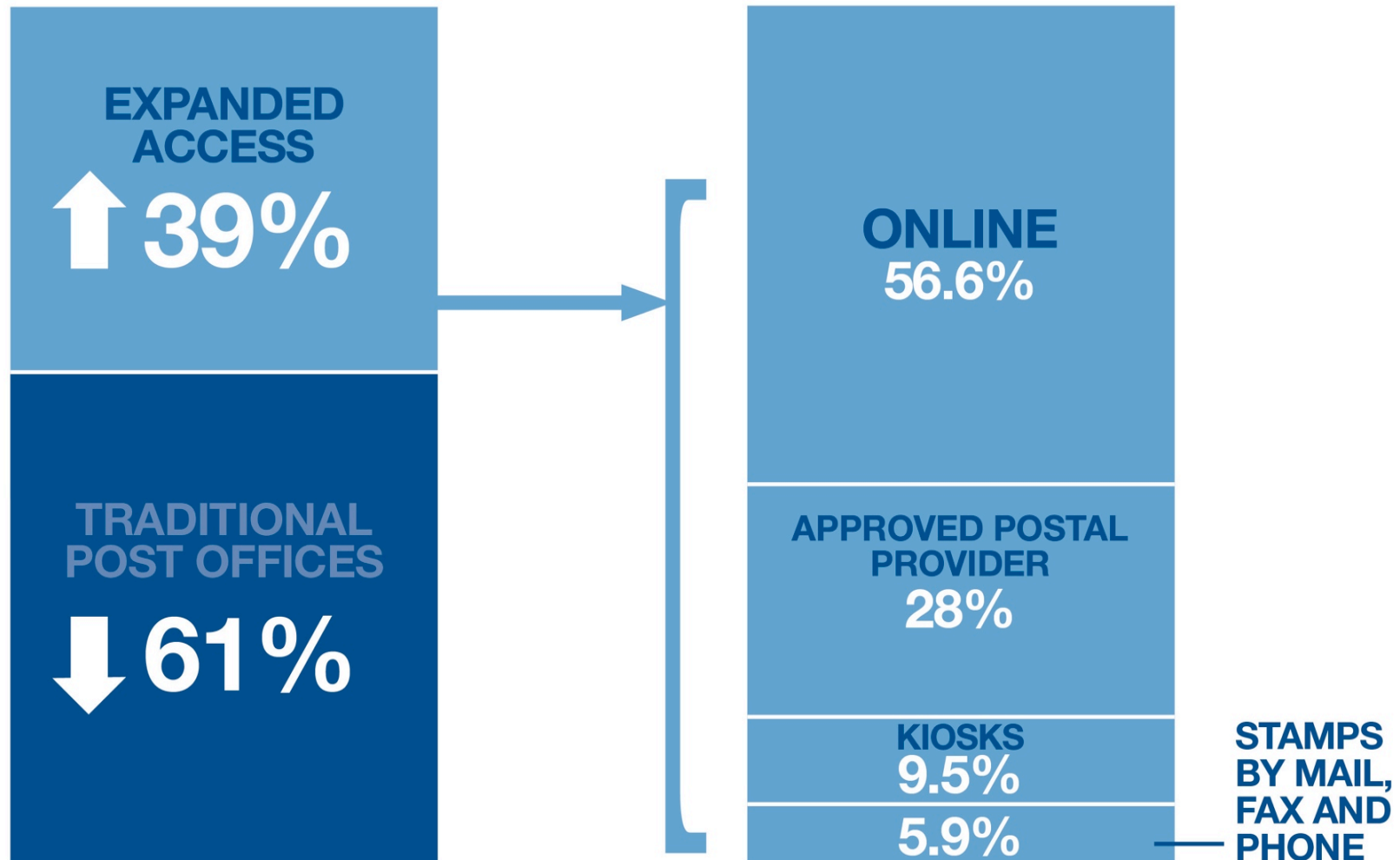
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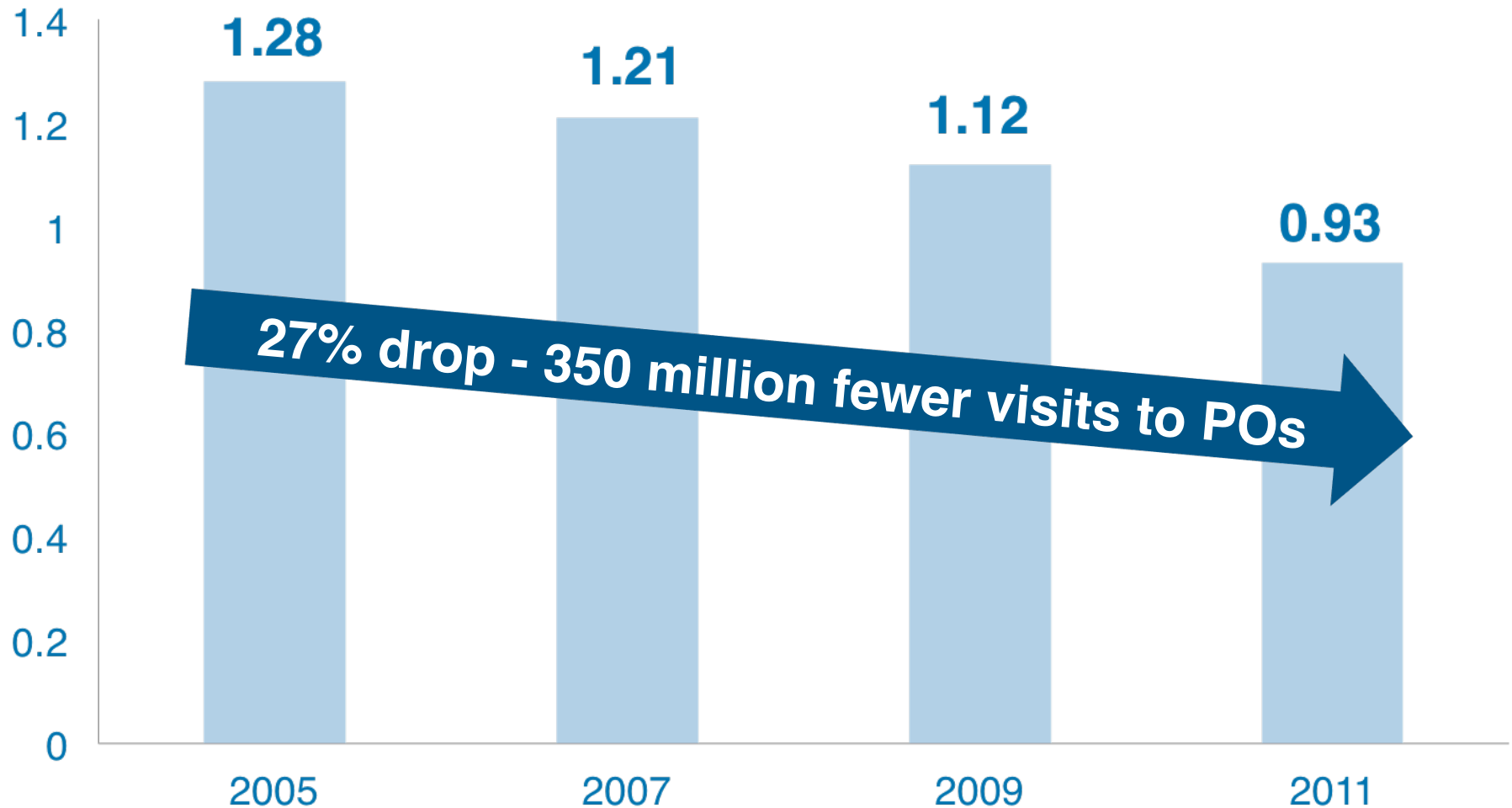
 POST OFFICE™

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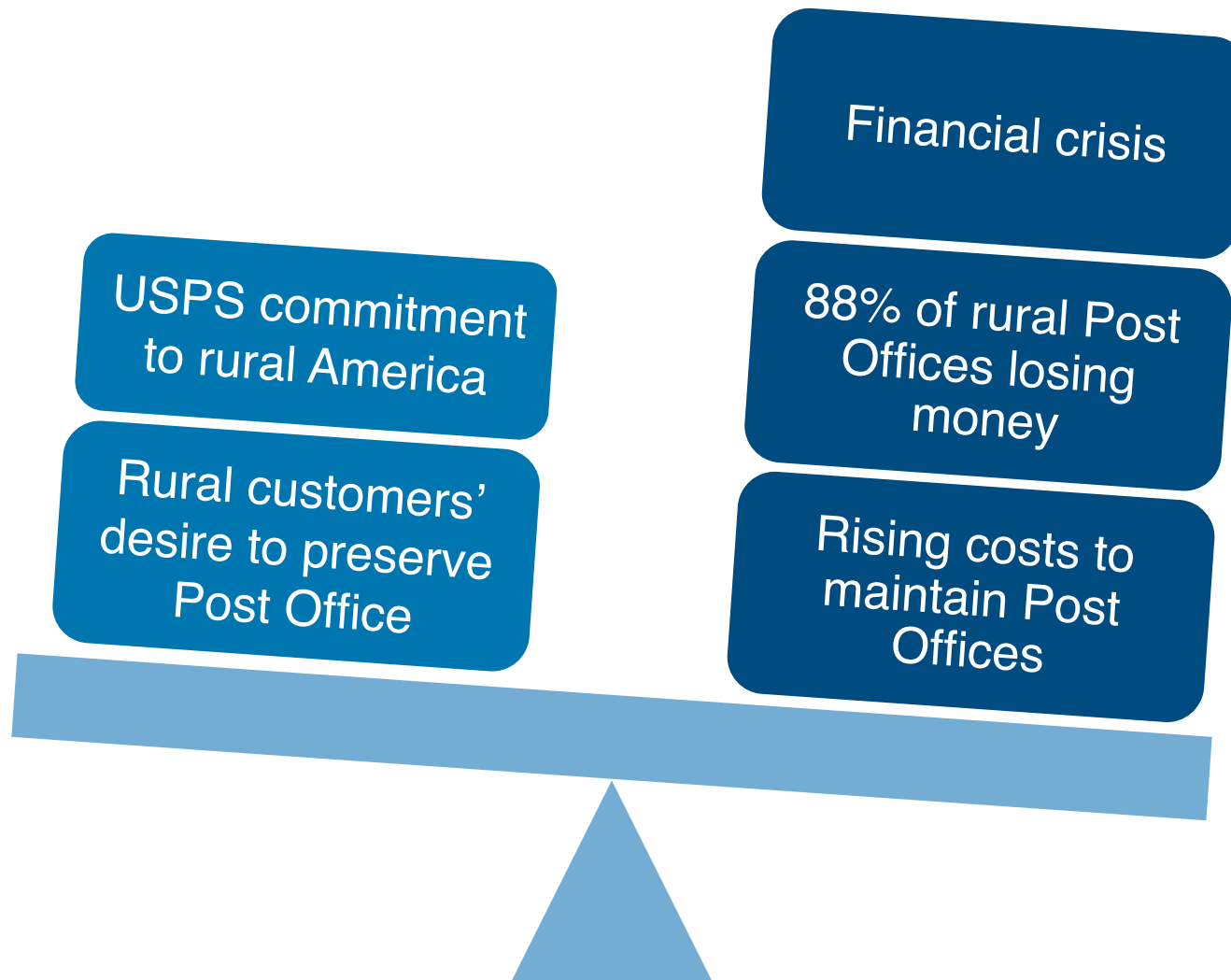
Customer Retail Visits (billions)



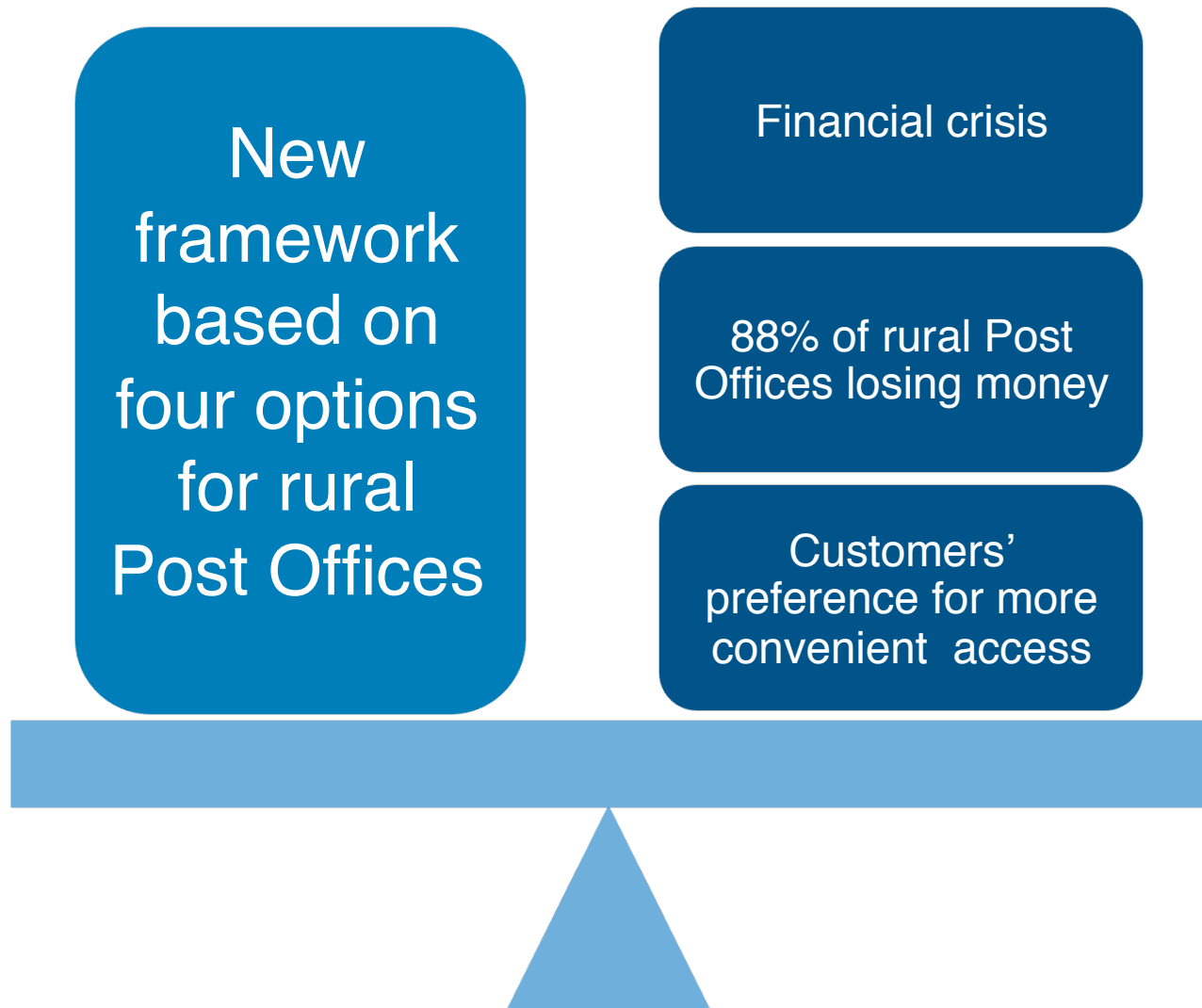
CLOSING THE COST GAP

- ➔ Average cost to operate: \$114,000 annually
- ➔ Bottom 4,500 earn an average of \$15,000 annually: equivalent to \$52 and 4.4 customer window visits per day
- ➔ Cost to serve is increasing, revenue and visits are decreasing

Situation



Solution



Four Paths for Rural Retail Access

Maintain

Maintain the Post Office with reduced retail window service hours to match customer need



Deliver

Provide delivery service using either rural carriers or highway contract routes



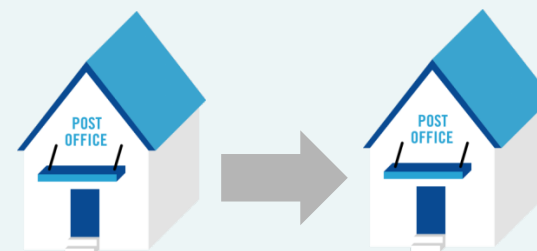
Engage

Engage a local establishment within the community to establish a Village Post Office



Merge

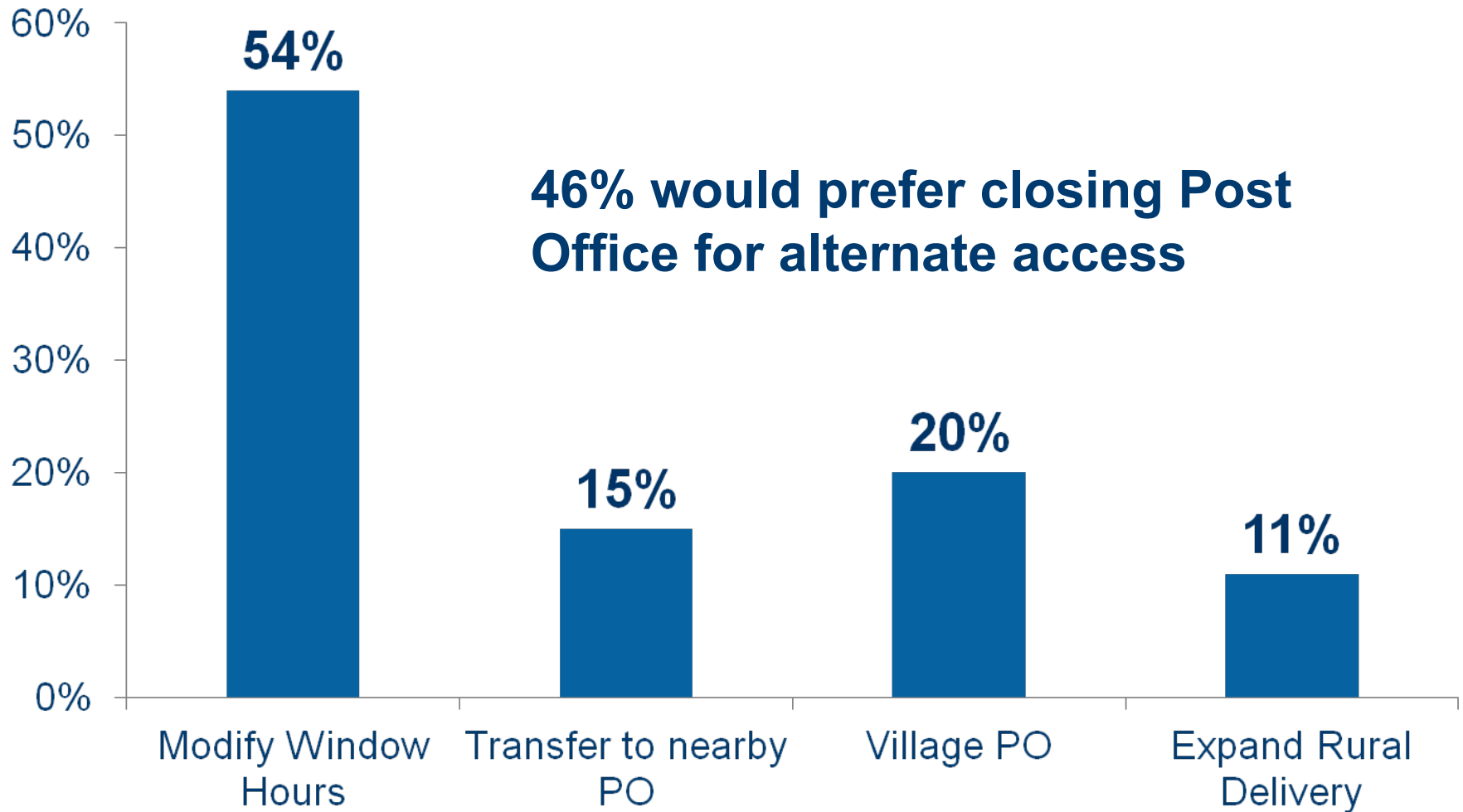
Merge with a nearby Post Office and provide service from that location



Maintaining Rural Post Offices



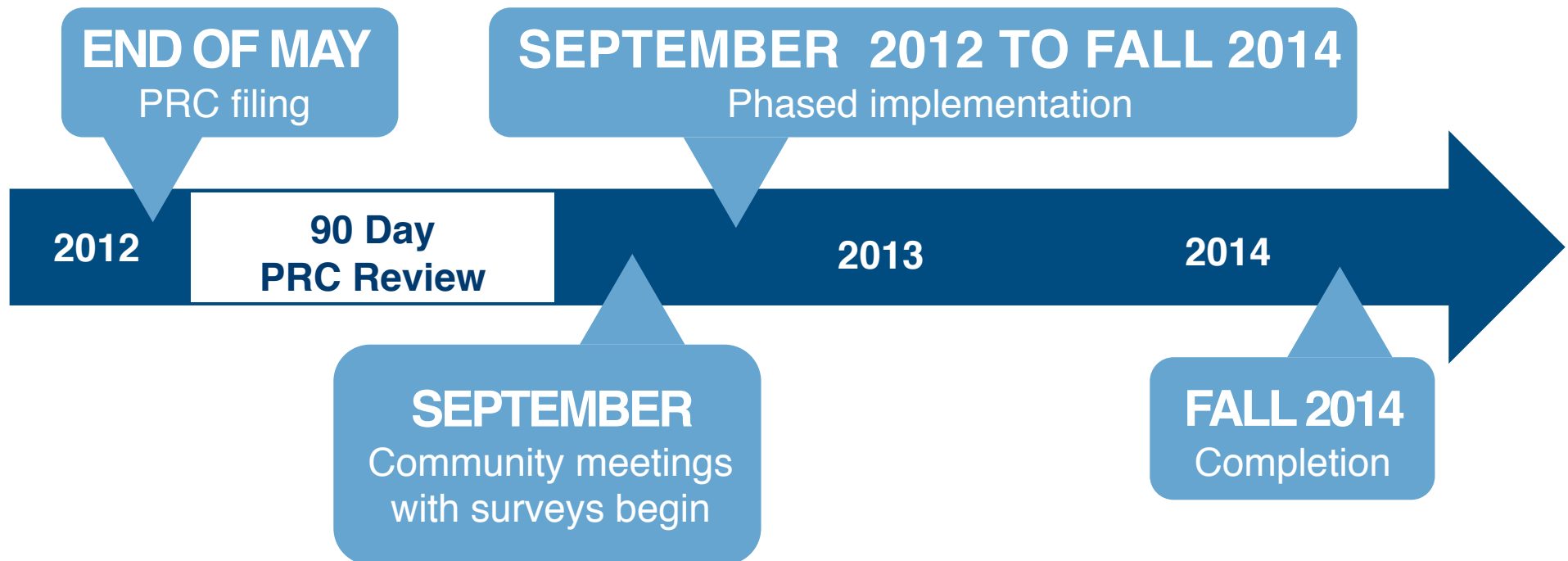
- ➔ Lobby and P.O. Box access
- ➔ Modified window hours
- ➔ Maintain ZIP Code
- ➔ Retain community identity



- ➔ Analyzed 17,728 rural Post Offices
- ➔ 4,561 to remain at 8 hours of window service
- ➔ Starting review process for approximately 13,000 Post Offices
- ➔ Upgrading 400 Post Offices from designated closure
- ➔ Closing more than 100 non-operating Post Offices

Rural Post Offices will remain open unless community has strong alternative preference

Two-year Process with Phased Approach



OUR COMMITMENT TO EMPLOYEES

- ➔ Methodical process, two year transition
- ➔ Options available for staying with the Postal Service
- ➔ Incentive to be provided



**New Path
Forward**

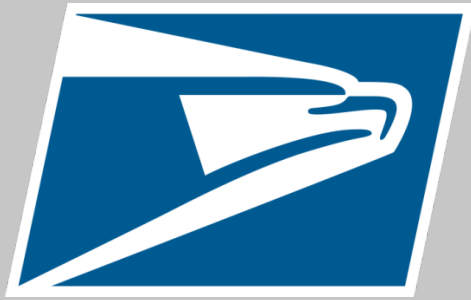
- Preserves rural Post Offices
- Allows communities to retain identity and ZIP Code

**Community
Engagement**

- Postal Service will engage communities
- Will obtain local input before changes are made

**Achieves
Savings**

- Saves over half a billion dollars a year
- Consistent with five-year plan
- Helps return Postal Service to financial stability



UNITED STATES

POSTAL SERVICE ®