



POSTAL NEWS

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POSTAL SERVICE FILES COST-SAVING PUBLICATIONS INITIATIVE

WASHINGTON, DC — In a continuing drive to reduce the cost of processing and distributing mail, the U.S. Postal Service has filed a request with the Postal Rate Commission that will encourage more publishers to stop using costly mail sacks.

Many small publications already have responded to experimental pricing incentives by taking their publications out of sacks and combining them with other publications on more efficient pallets. With this new initiative, the Postal Service seeks to further enhance the ongoing experiment implemented last April.

“We have seen the elimination of thousands of mail sacks. We know there are more opportunities to reduce costs, and we plan to seek other ways to encourage our customers to take advantage of initiatives like this so that we can transform the Postal Service,” said Stephen M. Kearney, Vice President, Pricing and Classification.

“The pieces that would have been entered in sacks have moved to more efficiently handled pallets. Palletization is possible when several small publications are prepared and entered as one mailing,” added Kearney.

Pallets are less costly because they hold more volume than sacks and are easier to transport. The current experiment focuses on smaller-circulation publications of average weight and considerable advertising content. The proposed expansion would provide incentives for heavier publications with high editorial content, specifically publications weighing over nine ounces with less than 15 percent advertising content.

Cost savings and efficiency are part of the Postal Service Transformation Plan, which was adopted two years ago. The plan embraces fundamental long-term transformation to include changes in postal business and operations that will affect customers and employees. This transformation will help the Postal Service secure a future for universal mail service at affordable rates and give it the tools to protect regular mail and ensure a sound national system well into the future.

Since 1775, the U.S. Postal Service has connected friends, families, neighbors and businesses by mail. It is an independent federal agency that delivers to 141 million homes and businesses every day. The Postal Service derives its operating revenues solely from the sale of postage, products and services. With annual operating revenues of more than \$68.5 billion, it is the world's leading provider of mailing and delivery services, offering some of the most affordable postage rates in the world. The U.S. Postal Service delivers 202 billion letters, advertisements, periodicals and packages a year—and serves seven million customers each day at its 40,000 retail locations nationwide.