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Postal Service Updates its Transformation Plan to Reflect New Law and New Technologies

Creating New Value in Mail Key to Success, According to the Update

WASHINGTON, DC — The *Strategic Transformation Plan 2006-2010*, the Postal Service roadmap for the future, has been updated to reflect changes from last year's passage of the Postal Act of 2006. The law makes a number of changes to postal oversight and regulation, but does not alter the Postal Service's mission – providing trusted, affordable and universal service.

"We're proud of our accomplishments, and we're ready to raise the bar to ensure a viable postal system for future generations," said Postmaster General John Potter and Board of Governors Chairman James C. Miller III in a letter included in the 2007 Update. "There are challenges, but for every challenge there is also an opportunity."

Among the opportunities is new flexibility to customize products and prices to meet customer needs. The Postal Service now also has the ability to retain earnings and invest profits back into the business. New challenges include the Consumer Price Index-based price cap for mailing services such as First-Class Mail and Standard Mail. The update notes that cost-control strategies will be expanded beyond the aggressive efforts taken so far. The Postal Service will continue to reduce costs by at least \$1 billion every year by expanding standardization and automation. This effort will be given a boost in the coming year as the Postal Service begins deployment of its new Flats Sequencing System. Known as FSS, this new equipment automatically sorts flat-shaped mail in the order in which it will be delivered.

The update also describes how technology is being applied to add customer value. Most significant is the Postal Service's rapid expansion of Intelligent Mail, which uses new barcodes and systems to provide end-to-end visibility of mail. Intelligent Mail will also enable an expanded service measurement. The system will be developed and tested in 2008 in tandem with implementation of modern service standards for all mailing services.

The updated plan credits postal employees with helping achieve record service performance and eight consecutive years of productivity growth. Employee-related strategies in the plan are designed to further transition the Postal Service to a more customer-focused culture, and help prepare the workforce to respond quickly to changing customer needs and emerging technologies.

The plan also describes Postal Service sustainability efforts, including new energy conservation measures and its expansion of environmentally-friendly business practices. The Postal Service has a strong environmental track record, including being honored with 37 White House Closing the Circle Awards and operating the nation's largest alternative fuel-capable fleet.

The 2007 Update is available online at <http://www.usps.com/strategicplanning/2006-2010.htm>.

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An independent federal agency, the U.S. Postal Service is the only delivery service that visits every address in the nation, 146 million homes and businesses, six days a week. It has 37,000 retail locations and relies on the sale of postage, products and services to pay for operating expenses, not tax dollars. The Postal Service has annual revenues of \$75 billion and delivers nearly half the world's mail.