

USPS-T-1

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

SIX-DAY TO FIVE-DAY CARRIER DELIVERY
AND RELATED SERVICE CHANGES, 2010

Docket No. N2010-1

**DIRECT TESTIMONY OF
SAMUEL PULCRANO
ON BEHALF OF THE
UNITED STATES POSTAL SERVICE**

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1 Autobiographical Sketch

2 My name is Samuel M. Pulcrano. I am the Vice President of Sustainability for
3 the United States Postal Service. I have held this position at headquarters since its
4 creation in May 2008. I am responsible for unifying the Postal Service's sustainability
5 efforts across every function and location. This includes coordinating the Postal
6 Service's energy, fuel and environmental activities into a comprehensive strategic
7 plan, establishing corporate goals and metrics, policy and program development,
8 and reporting.

9 Prior to my current position I was director of Safety and Environmental
10 Performance at headquarters, overseeing a staff of about 600 employees throughout
11 the postal system who were responsible for implementing all environmental policies
12 and programs, as well as safety compliance and procedures at more than 38,000
13 facilities. I have held key positions in Human Resources and Labor Relations at the
14 district, area and headquarters levels. While in the field, I held positions at the mail
15 processing plant and district levels in the areas of workplace safety, labor relations,
16 personnel, and training. At headquarters, I had responsibilities in labor relations and
17 human resource management. Before my current position, I spent the previous 15
18 years at headquarters and at the area level as manager of human resources, of
19 collective bargaining agreement administration, and safety and performance.

20 I began my career with the Postal Service in 1975 as a mail handler in
21 Poughkeepsie, NY. I have a Bachelor of Science degree in finance and
22 management from the State University of New Paltz, NY.

1 I. Purpose of Testimony

2 The purpose of my testimony is to describe the nature of the changes in services
3 that the Postal Service intends to implement in fiscal year 2011 in conjunction with its
4 plan to generally eliminate the delivery of mail to street addresses on Saturday. I
5 explain the basis for Saturday being chosen as the day on which delivery and other
6 operations would be curtailed. I describe the process through which the service
7 changes being planned were developed. My testimony explains how the Postal Service
8 carefully considered customer concerns in determining the nature and scope of the
9 planned service changes. In concert with the testimonies of the other Postal Service
10 witnesses, my testimony provides a basis for the Commission to issue an affirmative
11 advisory opinion in response to the Postal Service's request in this docket.

12 USPS Library Reference N2010-1/1 is associated with my testimony.

1 II. Dire Circumstances Require Effective Solutions

2 A. Trade-Offs Are Necessary To Preserve A Viable Postal System

3 The regular delivery of mail six days a week in the United States has a long
4 history. The Post Office Department initiated six-day-a-week mail delivery in the 19th
5 century, a practice that has been continued by the United States Postal Service since its
6 inception in 1970. However, the ongoing and steep decline in mail volume brought
7 about by the diversion of mailable messages to electronic communications media and
8 the economic recession has contributed to an unprecedented and unsustainable level of
9 postal financial instability. As explained by its Chief Financial Officer, the Postal Service
10 must address its dire financial circumstances in a comprehensive manner and
11 implement every strategy that can significantly improve its long-term financial health.¹
12 There is no certainty regarding which options may be available to be exercised in the
13 years ahead. While long-term legislative solutions are considered and determined, the
14 Postal Service must carefully examine and expeditiously implement feasible strategies
15 for improving its financial stability. Of necessity, the Postal Service must implement
16 permanent changes in the nature of the postal services that respond to significant and
17 permanent changes in the use of the mail brought about by electronic diversion. Such
18 service changes must be pursued even if they consist of reductions in levels of service
19 to which postal customers have long been accustomed.

20 Notwithstanding the Postal Service's intent that its delivery services remain
21 competitive in today's evolving message and package delivery service environment, it is
22 inevitable that the compelling need to substantially reduce operating costs will require

¹ See Direct Testimony of Joseph Corbett On Behalf of the United States Postal Service (USPS-T-2)

1 consideration of trade-offs in terms of the nature of services that generate those costs.
2 The Postal Service is prepared to make difficult choices and is fully aware that the
3 elimination of a regular day of delivery each week or service changes resulting from
4 associated operational changes will be unacceptable to some senders and recipients of
5 mail. There are some mail senders who seek delivery of messages or publications on a
6 particular day of the week. There are mail recipients whose primary interaction with the
7 Postal Service is in the form of a Saturday encounter with their postal carrier. The
8 Postal Service is fortunate to employ delivery personnel who, like their counterparts at
9 the retail window, provide customer service in a manner that makes them excellent
10 ambassadors in promoting the agency's image. The Postal Service recognizes that six-
11 day-a-week delivery to most households and businesses is regarded by many as an
12 iconic feature of the national postal system. In some circumstances, Saturday delivery
13 may be viewed as a competitive advantage that the Postal Service should be loath to
14 relinquish. But trade-offs are often necessary in distressed circumstances that show no
15 signs of abating, such as those that face the Postal Service today and into the
16 foreseeable future.

17 The Postal Service cannot effectively address the continuing financial instability
18 caused by declining mail volumes and changes in the mail mix only by implementing
19 operational changes that (a) result in no service changes or (b) only result in service
20 reductions guaranteed to be trivial and/or non-controversial. The former are likely to
21 generate insignificant cost reductions; the latter may not exist. The Postal Service can
22 no longer afford to postpone rational service changes that would generate significant

1 cost savings simply because the changes might reduce traditional frequency of delivery
2 service to street addresses or the dispatch of some mail tendered on Saturday.

3 In concert with other elements of a long-term, comprehensive plan, the Postal
4 Service has determined that a general change to five-day-a-week delivery and related
5 service changes will help to reduce its financial instability in a meaningful way as it
6 grapples with the consequences of the ongoing and precipitous decline in mail volume,
7 changes in the mail mix and falling revenue. Scheduled collection of mail from blue
8 collections boxes on Saturday will be discontinued. However, Post Offices and other
9 retail locations will continue to sell products and services on Saturday. They will accept
10 mail on Saturday, though some of it may not be processed until Monday. Saturday Post
11 Office box delivery service will continue. Express Mail will continue to be collected six
12 days a week and delivered seven days a week, preserving for many senders and
13 recipients a reasonable option for Saturday delivery of time-sensitive mail.

14 Accordingly, the Postal Service intends to implement the service changes
15 described summarized above (and described in greater detail below) during fiscal year
16 2011. The centerpiece of those changes is the elimination of routine mail delivery to
17 street addresses on Saturday. This is not a rash reaction to transient circumstances. It
18 constitutes a reluctantly conceived, but reasoned and carefully considered policy
19 determination in response to a permanent, systemic change in the role of mail in
20 society. Because the Postal Service is satisfied that the resulting changes in the nature
21 of mail service will be consistent with its statutory public service obligations, it solicits
22 concurring advice from the Commission.

1 B. The Proposed Changes In Service Reflect Thorough Analysis

2 In March of 2009, senior postal management asked me to organize a cross-
3 functional team (hereinafter, the “Five-Day Team”) to more closely examine the
4 feasibility of changing the delivery model from six-day to five-day, with a focus on
5 Saturday as the delivery day that might be eliminated. This team is comprised of
6 program managers, analysts, and economists with perspectives and subject matter
7 expertise in such areas as delivery, mail processing, retail, transportation, engineering,
8 employee and labor relations, financial analysis, customer relations, information
9 systems, service measurement, market research, sustainability, government relations,
10 and law. The team conferred with other headquarters and field managers representing
11 a broad array of functional responsibilities related to mail acceptance, collection,
12 processing, transportation and delivery, as well as external experts in market research,
13 postal costing, and economic analysis. As a result, the Postal Service’s advisory
14 opinion request is supported by thorough explanations of the operational changes that
15 will be implemented.²

16 C. Consideration Of Stakeholder Concerns Has Been A Critical
17 Element In Developing The Proposed Service Changes

18
19 From the outset, the Postal Service has been aware that any strategy that calls
20 for a reduction in a long-standing frequency of delivery service will not be received
21 favorably by all customers. Accordingly, a critical element in the development of the

² See Direct Testimony Of Dean Granholm On Behalf of the United States Postal Service (USPS-T-3); Direct Testimony Of Frank Neri On Behalf of the United States Postal Service (USPS-T-4), and Direct Testimony of Luke Grossmann On Behalf of the United States Postal Service (USPS-T-5).

1 proposed service changes described below in section IV has been its consideration of
2 the potential impact of those changes on senders and recipients of mail.

3 Recognizing the variety of preferences among its diverse customer base, the
4 Postal Service focused considerable effort on planning changes only after careful
5 consideration of customers' preferences. Recognizing that we are not able to
6 accommodate all of our customers' preferences, we have striven to ensure that the
7 planned service changes are free of undue discrimination among mail senders and
8 recipients and reflect no undue preferences.

9 The planned service changes will affect some mail senders and recipients
10 differently. Changes of the magnitude proposed here cannot be implemented without
11 requiring some customers to adjust their mail entry operations or patterns and their
12 delivery expectations, sometimes at a cost to the customer, in order to minimize any
13 inconvenience or to preserve levels of service to which they have long been
14 accustomed. The Postal Service's objective is to establish service changes that can be
15 clearly understood, that are consistently implemented, and that are fair and equitable,
16 given the underlying operational changes. As will be evident, the service changes do
17 not arbitrarily distinguish among customers based on such factors as the content or
18 volume of mail they send or receive. The proposed changes are intended to apply to all
19 customers whether they reside in prosperous residential areas or public housing, or
20 urban vs. rural areas. The changes apply to all postal patrons, whether they are
21 individual or households who use retail postal products, or businesses and government
22 agencies that use commercial postal services; or whether their mail qualifies for
23 subsidized nonprofit postal rates. The service changes are such that many senders and

1 recipients will be able to experience current levels of delivery service by adjusting their
2 mailing practices and habits in the future five-day street delivery environment.

3 The Direct Testimony of Rebecca Elmore-Yalch On Behalf of the United States
4 Postal Service (USPS-T-8) describes the methodology employed to conduct qualitative
5 and quantitative market research on potential household and business customer
6 responses to five-day delivery. The Direct Testimony of Gregory Whiteman On Behalf
7 of the United States Postal Service (USPS-T-9) summarizes the results of that
8 research, estimates changes in household and commercial customer mailing behavior,
9 and the potential adverse revenue consequences to the Postal Service that might result
10 from the planned service changes,

11 As part of its analysis, the Postal Service also corresponded with its employee
12 unions and management associations, requesting their views on the impact of five-day
13 delivery. As the concept evolved, the Five-Day Team met face-to-face with
14 representatives of these organizations to apprise them. The Postal Service also
15 responded to Congressional requests for similar briefings.

16 Working through the Mailers Technical Advisory Committee, the Postal Service
17 briefed the mailing industry of its plans as they evolved during the last year. Briefings
18 were provided to mailers of bills and statements, newspaper and magazine publishers
19 and printers, Standard Mail advertising printers and distributors, gift fruit shippers,
20 nonprofit mailers, banks, retail merchants, elections boards, utilities, remittance
21 processors and shippers of medicines, in addition to industry trade association
22 representatives. These briefings affirm that the senders of mail to and the recipients of
23 mail from large numbers of households have a firm and realistic grasp of the challenges

1 facing the Postal Service. Even in the face of postal operational and service changes
2 that some prefer not to see implemented, they have served as constructive partners in
3 raising concerns about the feasibility of adjusting their operations in response to such
4 changes and the potential impacts that may result.

5 These efforts, in combination with market research, have led the Postal Service
6 to adjust its proposed service changes to those reflected below.³ The consultative
7 process and the market research provided valuable insight into how postal operational
8 and service changes might affect the behavior and practices of households and
9 businesses to which commercial customers send mail or from which they receive mail.
10 In expressing their concerns, postal employee union and association representatives
11 similarly recognized that the Postal Service faces many challenges moving forward.

12 As a result, the Postal Service considers that it has made a considerable effort to
13 identify and consider the concerns of a broad spectrum of stakeholders in developing
14 the future mail acceptance, collection, processing, and delivery operations framework
15 described in the testimony filed in support of its request. That framework provides the
16 basis for the proposed changes in service described below in section III, as well as the
17 gross operational cost savings estimates provided in the Direct Testimony of Michael
18 Bradley On Behalf of the United States Postal Service (USPS-T-6) and the Direct
19 Testimony of Jeffrey Colvin On Behalf of the United States Postal Service (USPS-T-7).
20 Taking their cost savings estimates into account with witness Whiteman's (USPS-T-9)
21 estimate of adverse revenue impact, witness Corbett (USPS-T-2) testifies that if five-day
22 delivery had been fully implemented at the beginning of FY 2009, the Postal Service

³ Those adjustments are summarized in Chapter 3 of *Delivering The Future: A Balanced Approach* (March 2010), USPS Library Reference N2010-1/1.

1 could have benefitted from a net improvement to its bottom line of approximately \$3.1
2 billion dollars.

3 The Direct Testimony of Thomas Day On Behalf of the United States Postal
4 Service (USPS-T-10) explains that changes in service performance measurement will
5 need to be implemented to account for such operational changes as the elimination of
6 Saturday delivery to street addresses, the elimination of scheduled Saturday regular
7 collection box operations, and the initiation of processing on Monday of some mail
8 accepted at retail windows and business mail entry units on Saturday.

9 The Postal Service recognizes that effective communications planning and
10 execution is a critical element to implementing changes in a manner that maximizes
11 customer preparation, aligns customer service expectations with changes in operations
12 and minimizes customer disappointment. Accordingly, the Direct Testimony of Stephen
13 Kearney On Behalf of the United States Postal Service (USPS-T-11) demonstrates that
14 strategies are in place to ensure that customers are provided direct access to relevant
15 information well in advance of the implementation of the planned changes in operations,
16 service, and service measurement. His testimony describes a comprehensive and
17 flexible communications plan designed to ensure that customers are made aware of the
18 changes and how to adjust.

19

20 III. Planned Changes In The Nature Of Postal Services

21 A. Five Days Of Delivery, But Six Days Of Service

22 As described below, the principal service changes the Postal Service intends to
23 implement will be the general elimination of regular delivery and pick-up of mail on

1 Saturday for street addresses, as well as elimination of scheduled pick-up of mail on
2 Saturday from blue collection boxes. Saturday was selected as the day to eliminate
3 some operations and service for several reasons. It is consistent with the preferences
4 expressed by customers. In the current Monday-through-Saturday delivery schedule,
5 Saturday has the lowest average daily volume delivered. More than one-third of
6 American business addresses are closed on that day. Closer alignment of the postal
7 delivery schedule to the core (Monday-through-Friday) business operating schedule
8 helps to preserve the mail stream as a useful channel of communication between
9 businesses and consumers. With Sunday already a general non-delivery day, the
10 selection of any day other than Saturday as the second such day would be counter to
11 that objective and, in most cases, would create two start-and-stop mail processing and
12 delivery cycles per week, which would not be operationally efficient for the Postal
13 Service or many of its customers. The choice of Saturday as being the best day was
14 confirmed in the market research conducted by witness Elmore-Yalch (USPS-T-8).

15 B. The Elimination Of Saturday Street Delivery

16 The most significant change will be the general elimination of regular delivery to
17 street addresses on Saturday, reducing the normal Monday-through-Saturday delivery
18 schedule to Monday-through Friday.⁴

19 This change will not apply to Express Mail which will continue to be delivered
20 seven days a week. Nor will the elimination of Saturday delivery apply to Post Office
21 Box sections open on Saturday.⁵

⁴ As is the case today, additional non-delivery days are created by the observance of 10 Federal holidays, five of which are observed on designated Mondays, four on specific calendar dates, and one on a designated Thursday.

1 Otherwise, when regular Saturday delivery is eliminated, the Postal Service has
2 determined that there will be no practical or fair way to make exceptions and provide
3 Saturday delivery for customers solely in response to assertions or representations by
4 the sender or recipient regarding the intrinsic value, importance, or time-sensitivity of
5 particular mail pieces.

6 Recipients who appear at postal retail windows on Saturday during retail hours to
7 pick up mail for which they present a Delivery Notice/Reminder Receipt (PS Form 3849)
8 documenting attempted delivery or a similar pick-up notice can expect to obtain the
9 corresponding mail piece(s). On the other hand, as is the case today, when Saturday
10 delivery is eliminated, recipients anticipating delivery of a mail piece to a street address
11 will have no reasonable expectation that a search of the delivery unit will be conducted
12 on Saturday in order to find the mail piece and effect delivery at the window, if they do
13 not present the corresponding receipt or notice documenting attempted delivery (or a
14 similar pick-up notice).

15 The Postal Service proposes to amend the Domestic Mail Manual to require that
16 live animals and perishables shipped via mail arrive at the appropriate destination
17 delivery unit (DDU) Monday through Friday, rather than the current Monday through
18 Saturday policy. We also will strongly encourage mailers of medicines, especially
19 laboratory specimens or items shipped in dry ice, to schedule arrival at the DDU on
20 Monday through Friday. Mailers needing Saturday delivery of these items will have the

⁵ The Postal Service has determined that it is generally infeasible, during the delivery of mail at Post Office Box units to cull out mail addressed to Group E Post Office boxes provided to customers at no fee in cases where there is no regular delivery to street addresses on any day. Accordingly, these no-fee Group E Post Office boxes will be treated like other Post Office boxes and will continue to be subject to six-day delivery when Saturday street delivery is eliminated.

1 option to use Express Mail. If these items arrive at a DDU after the critical entry time
2 Friday, the Postal Service will continue its practice of attempting to contact the recipient
3 to arrange for it to be picked up Friday or Saturday on a site-by-site basis. Recipients of
4 prescription medications who wish to preserve the option of Saturday delivery have the
5 option of having such items mailed to Post Office boxes.

6 The Postal Service has determined that a critical element of its plan is that
7 customers be treated fairly. For a fee, Post Office Box service is available as an option.
8 As a courtesy, the Postal Service has provided local firm holdout service to customers,
9 usually businesses, receiving more than 50 mail pieces per day. Local firm holdout
10 policy permits these customers, who usually do not have a Post Office Box, to pick up
11 their mail at delivery units six days a week in lieu of having it delivered to their street
12 addresses. Even if it were operationally feasible to separate this mail from other street
13 addressed mail at a delivery unit on Saturday, it would not be fair to permit some
14 recipients to pick up such mail on Saturday, but to deny the same service on the same
15 day to other recipients of street-addressed mail who also are not receiving delivery to
16 their street addresses. The continuation of the current practice on Saturday in a five-
17 day delivery environment would likely not generate goodwill among customers in line at
18 its retail windows who elect not to pay for Post Office Box service. Current local firm
19 holdout customers who wish to preserve the ability to pickup mail at a postal retail unit
20 on Saturday may wish to consider the option of renting a Post Office Box⁶ Postal
21 customer relations would be more manageable in a five-day delivery environment if the
22 Postal Service limited the provision of a routine alternative to street delivery on Saturday
23 to those customers who were entitled to it through Post Office Box service.

⁶ Otherwise, they will be limited to local firm holdout pick-up Monday through Friday.

1 Notwithstanding the ongoing shift to online bill payments, it is estimated that the
2 Postal Service still transports trillions of dollars worth of remittances through the mail
3 annually. Continuation of Post Office Box and Caller Service on the same terms as
4 today benefits the senders of remittances who seek timely delivery of their bill payments
5 in envelopes with a Facing Identification Mark. Post Office Box holders who also pay
6 for Caller Service to make repeated pick-ups of incoming mail at mail processing plants
7 and delivery units will see no change in that latter service, although the hours during
8 which Caller Service is available could be adjusted locally. Thus, the planned changes
9 are intended to permit current remittance processing operations to continue with
10 minimal, if any disruption.

11 Finally, the Postal Service will continue the policy of managing the spike in
12 package and parcel deliveries that usually occurs in December by resuming Saturday
13 deliveries of packages/parcels on an as-needed basis. As is the case today, this may
14 occur two or three Saturdays before Christmas in a five-day environment, depending on
15 which day of the week Christmas falls, in order to level workloads and ensure a greater
16 likelihood of delivery of gifts before Christmas. As is the case today, the continuation of
17 this policy will primarily benefit senders and recipients of Priority Mail, Parcel Post,
18 Parcel Select and obvious gift packages in First-Class Mail.

19 C. Changes In Saturday Street Collections And Pick-Ups

- 20 1. Scheduled Saturday collection box service will continue only for
21 dedicated Express Mail boxes
22

23 Another change will be the elimination of scheduled collection of mail from blue
24 street collection boxes. When five-day delivery is implemented, these boxes will have
25 the same status on Saturday that they currently have on Sunday: they will not be

1 subject to collection, except in cases where overflow collection may be conducted on
2 weekends as needed. Any overflow mail collections from regular blue collection boxes
3 will be secured in postal facilities, but will not be postmarked or otherwise processed
4 that day.

5 Mail deposited in a regular blue collection box or in a retail Post Office on or after
6 the last collection on Friday will be processed on Monday (or Tuesday, if Monday is a
7 holiday.) When these changes occurs, mailers expecting same day processing of
8 collection mail will need to observe posted last pick-up times for (non-holiday) Mondays
9 through Fridays and deposit mail on those days. Customers who deposit mail in these
10 collection boxes after the last pick-up time on Friday should expect the mail to remain
11 there until it is collected for the initiation of processing on the following Monday (or
12 Tuesday, if Monday is a holiday). In contrast, Saturday collections from dedicated
13 Express Mail collection boxes will continue so that this mail can continue to be
14 processed, transported and delivered seven days a week.

15 2. Saturday Pick-Up of Express Mail, Priority Mail and
16 Parcel Post will be discontinued
17

18 Presently, for a fee, customers can arrange for street address pick-up of Express
19 Mail, Priority Mail and Parcel Post six days a week, if the pick-up does not occur during
20 a regular mail delivery or collection stop. However, the Postal Service intends to
21 eliminate this Saturday pick-up option to coincide with the elimination of Saturday street
22 delivery and collection operations. In addition, customers using Click-n-Ship and PC
23 Postage may arrange pickup the next business day online. If the request is made on
24 Friday in a five-day delivery environment, the item will be picked up on the next
25 business day, which would usually be the following Monday.

1 IV. It Is Important To Emphasize What Is Not Changing

2 In large part, the operational and service changes described in support of the
3 request in this docket will only affect regular⁷ mail that would otherwise be delivered to
4 street addresses on Saturday or that is accepted or deposited on Saturday. It is worth
5 noting what will not change.

6 A. The Switch To Five-Day Delivery Does Not Change Retail Operations

7
8 Retail operations at Post Offices, stations, and branches will not be curtailed for
9 any reason related to the elimination of a day of regular street address delivery. Retail
10 window service will continue on the same terms as today. Retail customers will still be
11 able to purchase stamps, money orders, and shipping supplies, tender single-piece mail
12 for acceptance at retail windows,⁸ obtain mail from Post Office boxes, purchase other
13 products and services, drop mail in secure retail lobby chutes on Saturday.⁹

14 B. Business Mail Entry Operations And National Firm Holdout
15 Will Continue On Saturday.

16
17 Bulk mail entry on Saturday (and Sunday) will continue at Network Distribution
18 Centers, Processing & Distribution Centers, other mail processing plants, detached mail
19 units, Post Offices and other select destination delivery units. Generally, the initiation of
20 processing for outgoing bulk mail accepted on Saturday will generally be the following
21 Monday. However, there will be an optional Saturday initiation of processing for local

⁷ Here, I use the term “regular” to refer to all mail other than Express Mail.

⁸ The current policy of providing circular hand-stamped postmarks on single-piece mail upon request at Post Offices and other postal retail units will continue on Saturday.

⁹ However, with the exception of Express Mail, any mail tendered to a window clerk and postmarked, or dropped in a lobby chute at a postal retail location on Saturday will not be processed until the following Monday (or Tuesday, if Monday is a holiday).

1 outgoing and incoming Sectional Center Facility mail entered on Saturday when three
2 requirements are met: (1) the mail is deposited at a BMEU co-located at a plant; (2) the
3 mail is physically separated and properly presorted to the Sectional Center Facility or a
4 finer scheme according to labeling lists, and (3) mail is entered prior to the critical
5 acceptance time on Saturday. See USPS-T-10.

6 In addition, national firm holdout mail that is P.O. Box-addressed will continue to
7 be available for pickup up Monday through Sunday.

8 C. Service Standard Business Rules Remain Unchanged.

9 In a five-day delivery environment, Saturday would join Sunday as a non-delivery
10 day for regular mail that is street addressed. Regular mail currently dispatched for
11 delivery on Saturday would not be dispatched for delivery in a five-day delivery
12 environment until the following Monday (or Tuesday, if Monday is a holiday). Mail
13 accepted at a postal retail window or dropped in a collection box on Saturday will be
14 processed on Monday. Originating (outgoing) bulk mail tendered at a business mail
15 entry unit (BMEU) on Saturday or Sunday will generally have a start-the-clock day of
16 Monday. The start-the-clock day for bulk mail drop shipped at plants and delivery units
17 will be the day the mail is drop-ship entered if this occurs before the Critical Entry Time.

18 Some mail tendered or deposited on Saturday ordinarily will not be processed
19 until the following (non-holiday) Monday. The originating and destination entry service
20 standards that determine the expected days-to-deliver for such mail are not being
21 changed.

22 When Saturday collections are eliminated, the service standard does not change.
23 If the same piece is deposited after the last pick-up on a Friday and before the next

1 pick-up on the following (non-holiday) Monday, it still has an overnight service standard,
2 and is expected to be delivered on Tuesday, the day after processing was initiated.

3

4 V. Conclusion

5 The proposed service changes reflect consideration of customer and other
6 stakeholder preferences, and the balancing of those preferences with the need to
7 significantly reduce postal operating costs and implement changes consistently across
8 all facets of a complex mail collection, acceptance, processing, and delivery system.
9 Postal management deems the implementation of five-day delivery and the associated
10 service changes described as necessary to assure that the Postal Service remains a
11 viable, financially healthy institution that can continue to play a vital role in serving the
12 communications and delivery needs of the American people into the 21st century and
13 beyond.