

May 9, 2012

New strategy for low-activity Post Offices in rural areas

USPS has announced a strategy that could keep the nation's smallest Post Offices open for business. The plan would provide a framework to achieve significant cost savings as part of an overall strategy to return the organization to financial stability.

The new strategy would keep an existing Post Office in place, but with modified window hours to match customer use. Local management will strive to make access to the retail lobby and to PO Boxes available even when window service hours are not offered.

"Meeting the needs of postal customers is, and will always be, a top priority," said PMG Pat Donahoe. "We continue to balance that priority by better aligning service options with customer demand and reducing the cost to serve. 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 Offices open. We believe this announcement will serve our customers' needs and allow us to achieve real savings to help the Postal Service return to long-term financial stability."

This new strategy complements existing alternatives, which include:

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

Under this plan, the Postal Service estimates a half-billion dollars in annual savings after implementation.

"The Postal Service is committed to serving America's communities and providing a responsible and fair approach for our employees and customers," said Chief Operating Officer Megan Brennan. "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 alternative."

USPS has implemented a voluntary moratorium on all postal facility closings through May 15, 2012. The plan would be implemented over a 2-year, multi-phased approach and would not be completed until September 2014. Later this month, USPS plans to seek an advisory opinion from the Postal Regulatory Commission on the plan. Community meetings would then be conducted to review options in greater detail. Under all alternatives, the town's ZIP Code and community identity will be retained.

A survey conducted by the Opinion Research Corporation in February showed 54 percent of rural customers would prefer the new solution to maintain a local Post Office. Of the remaining 46 percent, 20 percent prefer Village Post Offices, 15 percent favor receiving services at a nearby Post Office and 11 percent want expanded rural delivery.

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Voluntary retirement incentive

USPS also has announced a Voluntary Early Retirement (VER) and Special Incentive Offer for the nation's 21,000 Postmasters. The offer consists of a one-time, \$20,000 cash incentive, payable in two installments. Postmasters who want to leave under the VER — as well as Postmasters who have reached their minimum retirement age and service requirements, and those who wish to voluntarily resign — are eligible for this special cash incentive.

PCES Postmasters are not included in this offer.

Postmasters will have until June 22, 2012 to accept the offer and must agree to leave the Postal Service effective July 31, 2012. Postmasters accepting the offer will receive two payments — \$10,000 on Dec. 21, 2012, and \$10,000 on Dec. 20, 2013, less withholdings and taxes. Part-time Postmasters will receive pro-rated payments on the same dates.

All eligible Postmasters will receive a retirement kit and a retirement annuity payment estimate from the Postal Service next week.

Details of this Special Incentive Offer and general VER guidelines will be posted as Frequently Asked Questions on *Workforce Connection*, available on *LiteBlue* at www.LiteBlue.usps.gov.

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