



What's Going On?

Central Florida
Des Moines
East Iowa
Federal Way
Hawaii
Jacksonville
Las Vegas
Lincoln
Los Angeles
Memphis
Miami Dade

Postal Customer Councils

June 18, 2025

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President and CEO
The Berkshire Company

www.berkshire-company.com

Nashville
Puerto Rico
Raleigh
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San Francisco
Santa Clarita
Scottsdale
Sioux Falls
South West Florida
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Tampa Bay

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What's Going On?

Housekeeping

1. This is an Industry POV
2. Copies of slides are provided.
3. Please ask questions.
4. Please laugh at Mark's jokes



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Poll Question: Who's in the audience?

- 1. USPS**
- 2. Equipment or Software Vendor**
- 3. Print or Mail Services Provider**
- 4. Mail Owner/In-Plant Manager**

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What's Going On?

- State of the USPS
- PMG DeJoy Era
- Ten-Year Plan / Postal Reform Act of 2022
- Network Changes
- Informed Delivery & Visibility
- Staying Informed
- Legislation Update
- Trends & Technology

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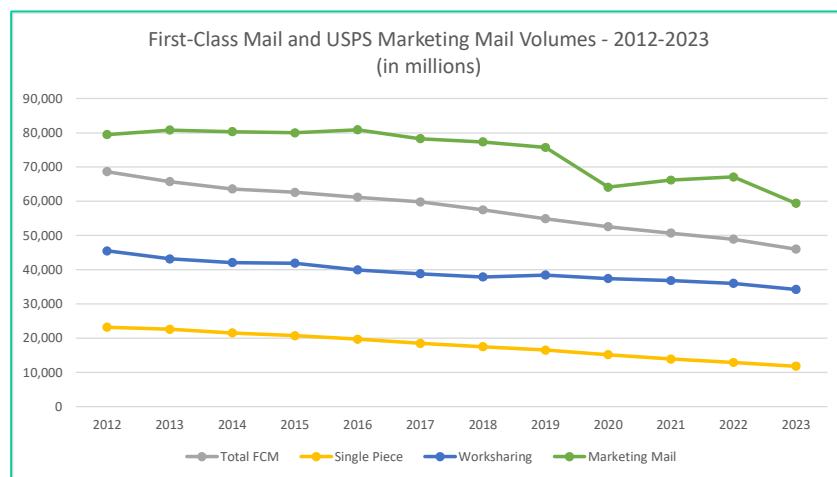
State of the USPS

- Mix of mail continues to change
 - Declining FCM and USPS Marketing Mail
 - Slowdown in parcels
- Network Rationalization
 - Facilities and equipment
 - Routes
 - Employees
- FY 2024: \$9.5 billion loss

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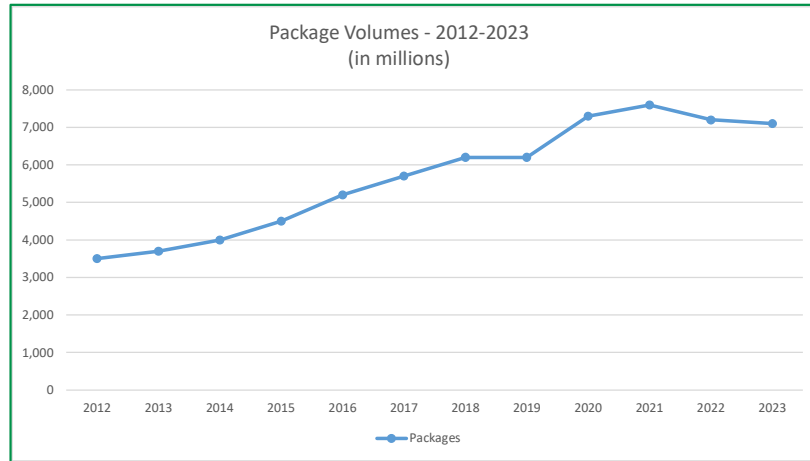
Physical Mail Remains Relevant



Source: <https://facts.usps.com/table-facts/>

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Packages



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USPS: PMG DeJoy Era 2020 - 2025

- Infrastructure
 - New leadership structure
 - New Areas for Operations and Marketing
 - Consolidations of districts
- Delivery Standards
 - Transfer mail volumes from aircraft to surface
 - New delivery standards for most products

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USPS: 10 Year Plan (DFA)

- A strengthened public service mission including 6 and 7 days of mail and package delivery.
- Service standards that foster service excellence - 95 percent on time reliability.
- A bold approach to growth, innovation and continued relevance - \$24 billion of new revenue.
- With congressional support, electric delivery fleet by no later than 2035.
- Best-in-class mail and package processing and delivery operations.
- A modern, transformed network of Post Offices designed as go-to destinations.
- A fully optimized surface and air transportation network.
- A stable and empowered workforce including reducing non-career workforce turnover by 50%.
- An organization structured to support effectiveness.
- A supportive legislative and administrative framework.
- A more rational pricing approach including the judicious implementation of new and existing pricing authority.

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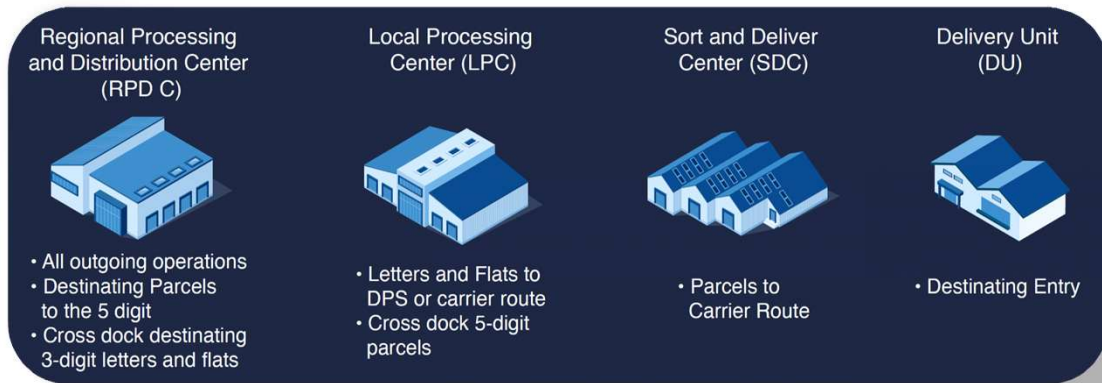
Postal Reform Act of 2022

- Eliminates the prepayment of future retiree health benefits.
- Requires future retirees to enroll in Medicare.
- Allows the USPS to provide non-postal products and services for government agencies – from federal to state to tribal to local.
- Requires an integrated package and mail services network, deliveries 6 days a week.
- Mandates greater transparency on performance, including website.
- Increases the number of copies a rural newspaper can send to nonsubscribers from 10 percent to 50 percent.
- Requires a study and reform of flats processing.
- Adjusts language around selecting transportation methods.
- Includes the Postal Regulatory Commission (PRC) in the appointment of the USPS Inspector General.

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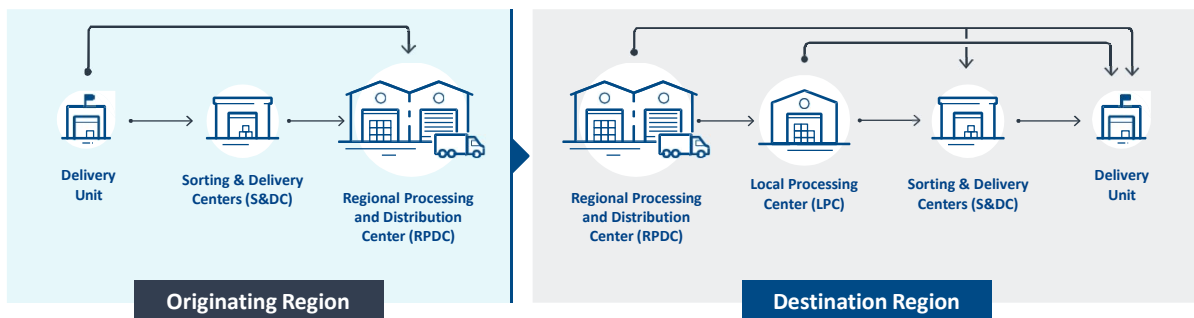
New Processing Network



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The Future Network Flow: End-to-End Model



REDUCE COST • IMPROVE ON-TIME DELIVERY • RELIABLE SERVICE STANDARDS
OPTIMIZE RESOURCE & PROCESS YIELD • ENERGIZE EMPLOYEES • EXPAND USPS CONNECT REACH
ENHANCE PRODUCTS • ALIGN NETWORK TO GROUND ADVANTAGE • CAPTURE MORE PACKAGE MARKETSHARE

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USPS Ground Advantage

Features:	\$100 of Insurance for USPS Ground Advantage
	Added USPS Ground Advantage Return Including \$100 of Insurance
	Combines several service offerings into streamlined ground products
	Two-to-five-day delivery across entire CONUS ZIP range
	Accessible across all USPS outlets and vendor platforms (Retail, Click-N-Ship, PC Postage, eVS, ePostage, Military Overseas Post Offices, GSS)



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Postage Rates - Today

- Postal Regulatory Commission – new rate system (11/30/20)
 - CPI + mail density + retirement amortization
- September 15, 2021 – new USPS rate schedule
 - No increase January 2022
 - July 2022 - CPI + mail density + retirement amortization
 - Beginning January 2023
 - January CPI + unused authority
 - July - CPI + mail density + retirement amortization

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Postage Rates – Tomorrow?

- Postal Regulatory Commission
 - Order 8892 – Phased Rulemaking (6/9/25)
 - Restrict the Market Dominant rate changes to once per year
 - Restrict workshare discounts
- USPS - Proposals
 - Eliminate Bound Printed Matter
 - Modify Product Descriptions (FCM, Marketing Mail, Periodicals)

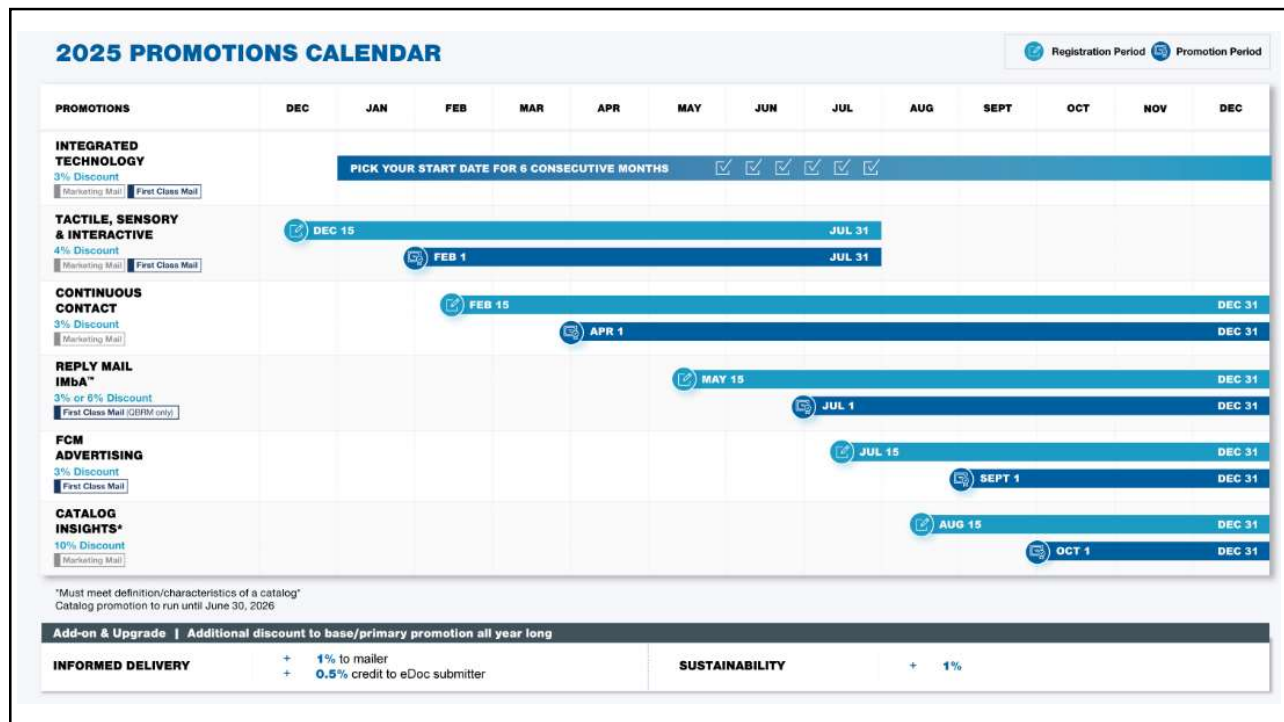
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Rates: Success – Today & Tomorrow

- Know Your Mail
 - Content
 - Characteristics
 - Categories and quantity
- Continuous review
 - Weekly
 - Monthly
 - Quarterly
- USPS – Use your local resources

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2025 MAILING PROMOTIONS TECHNICAL INFORMATION

PROMOTION	PROMOTION PERIOD	CCR INCENTIVE CODE	ELIGIBLE MAIL CLASS/ PROCESSING CATEGORY	DISCOUNT CALCULATION
INTEGRATED TECHNOLOGY	Pick your start date for 6 consecutive months	IT	First-Class Mail® & Marketing Mail®	3% Discount off at Postage Statement line level
TACTILE, SENSORY, AND INTERACTIVE	February 1 – July 31	SS	First-Class Mail® & Marketing Mail®	4% Discount off at Postage Statement line level
CONTINUOUS CONTACT	April 1 – December 31	CC (Type C – Initial) (Type I – Follow-Up)	Marketing Mail®	3% Discount off at Postage Statement line level
REPLY MAIL IMbA	July 1 – December 31	-	First-Class Mail® (QBRM only)	3% Discount off Static IMbA 6% Discount off Serialized IMbA
FIRST-CLASS MAIL ADVERTISING	September 1 – December 31	FA	First-Class Mail®	3% Discount off at Postage Statement line level
ADD-ONS – In order to claim an Add-On, you must be eligible for and claim a Promotion (e.g., Integrated Technology). When claiming an Add-On utilize the correct Type A (Add-On) two letter characteristic code.				
SUSTAINABILITY – ADD ON	Available all year long	ST	First-Class Mail® & Marketing Mail®	1% Discount off at Postage Statement line level
INFORMED DELIVERY – ADD ON	Available all year long	PI	First-Class Mail® & Marketing Mail®	1% Discount off for mailers at Postage Statement line level 0.5% credit to eDoc submitter

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USPS Contacts: Who You Gonna Call?

- Factors to Consider
 - Where are you located?
 - ZIP Code
 - Point of mail entry
 - What are you trying to accomplish?
 - Mail Piece Design, Rates and Classification
 - Mail Entry
 - What size customer are you?

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USPS Contacts: Who You Gonna Call?

- Local post office (Postmaster)
- Business Service Network
- Business Mail Entry
- Mailing & Shipping Solutions Center (MSSC)
 - 1-877-676-0007
 - MSSC@usps.gov
- Mailpiece Design Analysts:
 - 1-855-593-6093
 - mda@usps.gov

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Informed Delivery

- Digital previews of household mail
- Expanded to include notifications of packages
- Multi-platform campaigns – color images and links
- Grew from 2 million users in May 2017 to 74.5 million users today
- 2025 Mailing Promotion – 1% adder on select promotions
- Mailer Website:
<https://www.usps.com/business/informed-delivery.htm>

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Informed Visibility

- Replacement of IMb Trace – IV-MTR
- End-to-end tracking of mail (geofencing)
- Real-time service performance diagnostics
- Predictive workloads and mail inventory management
- Informed Visibility – [PostalPro Webpage](#)

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Staying Informed Physical Mail: Online Resources

- USPS website - www.usps.com
- PE Explorer - <http://pe.usps.com>
- PostalPro – <https://postalpro.usps.com>
- Business Customer Gateway - <https://gateway.usps.com>
- Industry Alert - IndustryAlert@usps.gov

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Commonly Used Acronyms

- Postal Facilities
 - RPDC (Regional Processing & Distribution Center)
 - LPC (Local Processing Center)
 - S&DC (Sorting & Delivery Center)
 - NDC (Network Distribution Center)
 - ASF (Auxiliary Service Facility)
 - BMEU (Business Mail Entry Unit)
 - BSN (Business Services Network)
 - PDC (Processing & Distribution Center)
 - SCF (Sectional Center Facility)
 - ADC (Area Distribution Center)
 - AADC (Automated Area Distribution Center)
 - DDU (Destination Deliver Unit)
 - AMF (Air Mail Facility)
 - APO (Army Post Office)
 - FPO (Fleet Post Office)
 - MPO (Military Post Office)
 - DMU (Detached Mail Unit)
- Equipment
 - AFSM 100 (Automated Flat Sorting Machine)
 - UFSM 1000 (Universal Flat Sorting Machine)
 - FSS (Flat Sequencing System)
 - BCS (Barcode Sorter)
 - OCR (Optical Character Reader)
 - MLOC (Multiline Optical Character Reader)
 - MERLIN (Mail Evaluation Readability Lookup Instrument)
 - APPS (Automated Package Processing System)
 - SPBS (Small Parcel Bundle Sorter)
 - LPSS (Large Parcel Sort System)
 - PBCS (Parcel Barcode Sorting System)
- Address Management
 - CASS (Coding Accuracy Support System)
 - MASS (Multiline Accuracy Support System)
 - PAVE (Presort Accuracy Validation & Evaluation)
 - NCOALink[®] (National Change of Address)
 - LACSlink (Locatable Address Conversion System)
 - ACS (Address Change Service)
 - AEC (Address Element Correction)
 - UAA (Undeliverable As Addressed)
 - MID (Mailer ID)
 - CRID (Customer Registration ID)
- Others
 - DMM (Domestic Mail Manual)
 - IBI (Information Based Indicia)
 - IMB (Intelligent Mail Barcode)
 - BPM (Bound Printed Matter)
 - BPRS (Bulk Parcel Return Service)
 - QBRM (Qualified Business Reply Mail)
 - BRM (Business Reply Mail)
 - CRM (Courtesy Reply Mail)
 - MRM (Meter Reply Mail)
 - FIM (Facing Identification Mark)
 - OEL (Optional Endorsement Line)
 - PCSC (Pricing & Classification Service Center)
 - NCSC (National Customer Support Center)
 - CSR (Customer Support Rulings)
 - PVDS (Plant Verified Drop Shipment)
 - FAST (Facility Access & Shipment Tracking)
 - REC (Remote Encoding Center)

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The Most Common
but
Least Valuable
Manual In Existence:

ISS MANUAL

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USPS: Legislation Update – 119th Congress

- 75 Bills focused on or impacting the USPS
(as of 06/12/25)
 - 30 Naming post offices
 - 4 Election related
 - 0 Stamp related
 - 1 Opioid/Fentanyl
 - 7 ZIP Codes
 - 33 USPS reform, funding, recognition, operations

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USPS: Legislation Update – 119th Congress

- USPS Board of Governors
 - Four open Positions
 - Governors Martinez in “holdover year” (ends December 8, 2025)
 - Anthony Lomangino nominated June 2, 2025
- Postal Regulatory Commission
 - No term expirations this year

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What’s Going On: Trends & Technology

- Data Drives the Mail
- Color – Color – Color
- Digital Mail: Not Just a Delivery Method
- Comprehensive Communication Plans
- Sourcing
- Operations Management

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Data Drives the Mail

- Operational data
- Postal data
 - Address management
 - Informed Visibility
 - Informed Delivery
- Make informed decisions

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Color and Documents: Traditional

- Pre-printed color on forms
- Highlight color
- Full color
 - Offset Color
 - Digital Color

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Color and Documents: What's Changed

- PowerPoint presentations in color
- Web pages use color
- Printing technology, especially inkjet
- Renewed focus on branding
- Speeds increasing, costs decreasing
- USPS Mailing Promotions

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Color and Documents: What's Happening Now

- Color forms replaced with color printing
- ~~B&W for low-value documents~~
Mid-volume, low-cost color inkjet
- Added color for messaging on transactional documents
- Fully digital processing for on-demand printing (offset and digital presses)

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Color and Documents: Challenges

- ROI isn't always easy to prove
- Consistency (PMS, screen vs. print)
- Space & facilities requirements
- Post-print applications (inserters)

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Digital Mail: What Is It?

- Scan & Deliver
 - Mail Center
 - Centralized Scanning
 - Business Unit
- Internet/Intranet document delivery

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Digital Mail: Why Implement?

- Faster delivery
- Access for remote staff
- Less expensive storage/retrieval
- Improve business processes

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Digital Mail: Challenges

- Imaging equipment – selecting, installing and training
- Legal constraints
- Non-scannable mail – brochures, magazines
- Multiple electronic document systems
- Integrating with BPM

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Digital Mail: One Tool of Many

- Hard copy will always exist
- Consider gradual adoption
- If you only have a hammer, everything looks like a nail

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Comprehensive Communication Plans: What is it?

- Multiple media – print, digital, video
- Multiple delivery methods – mail, email, television, internet, intranet, mobile
- **One Message**

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Comprehensive Communication Plans: Challenges

- Different owners, different priorities
- Confusing cost with value
- Content and design conflicts
- Difficult to calculate ROI
- Silver bullets only work against werewolves

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Trends: Sourcing

- Break-ups/Mergers and acquisitions
 - Equipment, software and service providers
 - Opens door to new technologies, services
 - Disruptive to industry (good and bad)
- Service Providers
 - Model changing with decline in mail volumes
 - Aggressive pricing and new services
 - Hybrid outsourcing models

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Trends: Operations Management

- Quality control at center stage
 - Moving beyond inserter controls
 - Complete system integrity – cameras, scanners and QC teams
- Complete workflow management
 - Controls, monitoring of entire system (file creation to USPS acceptance)
 - Mix of in-house, vendor and 3rd party systems

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Questions?

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About The Berkshire Company

An independent management consulting firm, The Berkshire Company specializes in improving your business process, including analyzing your operation, developing and selecting solutions, and providing project management.

Since 2001, the Berkshire Company has helped more than 100 organizations improve their operations with:

- Process Evaluations & Improvements
- Strategy Development
- Project Management
- Outsource vs. Insource
- Mail Center Security
- New Technology

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