

# Update at a Glance



BNY MELLON



## U.S. Postal Service Postpones Phase Two Plant Consolidations and Changes to Overnight Mail Delivery<sup>1</sup>

As part of our initiative to provide periodic updates on the U.S. Postal Service's (USPS's) changes to its facilities and delivery standards, the USPS has informed us that it is postponing phase two of its mail processing consolidation plan. Originally slated to begin February 1, 2014, phase two was to implement new first class service standards that would have eliminated the intra-plant delivery of overnight mail, allowing the subsequent consolidation of approximately 89 postal plants.<sup>2</sup>

With the postponement, intra-plant delivery of overnight mail is intended to proceed as normal and additional plant consolidations will be put on hold. The USPS has indicated that it will announce the new phase two implementation date at least 90 days before it is scheduled to take effect.

### Remittance Processing Industry Implications

If and when the USPS reinstates phase two of the plan, the new mail processing standards will remove all overnight delivery standards by requiring a daily operating schedule change that would result in mail processing beginning at 8:00 a.m. and terminating around 4:00 a.m. the next morning<sup>3</sup>, seven days a week. This could impact the timing of delivery of remittance items to processors.

However, under current phase two plans, dedicated remittance mail sorting at processing facilities will extend primary input beyond the 8:00 a.m. to noon schedule. This may provide a potential advantage for remittance (Lockbox) mail arriving after 8:00 a.m., allowing it to be processed throughout the day.

BNY Mellon Treasury Services will continue to monitor developments and keep you informed about potential impacts the proposed changes may have on remittance processing. For more information on these changes, please contact us at 1 800 424 3004 (Option 2) or [treasury@bnymellon.com](mailto:treasury@bnymellon.com).

**If Implemented,  
Change Offers  
Potential  
Advantage for  
Remittance  
Processing  
over First  
Class Mail**

<sup>1</sup>Notice delivered via Phoenix-Hecht<sup>TM</sup>, "USPS Network Rationalization Plans Have Remittance Mail in Mind."

<sup>2</sup><https://www.federalregister.gov/articles/2014/01/24/2014-01382/revised-service-standards-for-market-dominant-mail-products-postponement-of-implementation-date>

<sup>3</sup>All times listed apply to local time zones.

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