Manasota FL P&DC
Area Mail Processing (AMP)
Public Meeting

April 4, 2012
Two Topics

Radical Network Realignment

Area Mail Processing Study
Mail Volume Shifting to a Less Profitable Mix

Volume in Billions of Pieces

First-Class Mail
- 2006: 98
- 2010: 78
- 2016: 54
- 2020: 39

Standard Mail
- 2006: 103
- 2010: 83
- 2016: 85
- 2020: 86
NETWORK CAPACITY

GROWTH Capacity Expansion

1970 → 2006
NETWORK CAPACITY

GROWTH Capacity Expansion

CONSOLIDATION Excess Capacity

1970 → 2006 → 2013
Potential Decrease in Processing Facilities Through 2013

As of 8/31/2011

Processing Facilities

<table>
<thead>
<tr>
<th>Year</th>
<th>Facilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>673</td>
</tr>
<tr>
<td>2007</td>
<td>623</td>
</tr>
<tr>
<td>2008</td>
<td>614</td>
</tr>
<tr>
<td>2009</td>
<td>599</td>
</tr>
<tr>
<td>2010</td>
<td>528</td>
</tr>
<tr>
<td>2011</td>
<td>487</td>
</tr>
<tr>
<td>2012</td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>Less than 200</td>
</tr>
</tbody>
</table>

As of 8/31/2011
252 Facilities Studied for Potential Consolidation

Facilities Studied
Announced Sept. 15th
FUTURE NETWORK

- Support 2-3 day Service Standards
- Revised Entry Times
- Reduced Equipment
- Reduced Footprint

BENEFITS

- Eliminate Excess Capacity
- More Efficient Transportation Network
- Fully Utilized Workforces
- Significant Annual Savings
CHANGES

- Planning for new mail processing footprint and transport pattern
- Transitioning to 2-3 day service standard

OUR APPROACH

- Ongoing communication and collaborative solutions
Our Employees

559,000  Total Career Employees

151,000  Total Mail Processing Employees

35,000   Fewer Mail Processing Positions
Topic

Area Mail Processing Study
DISTANCE BETWEEN FACILITIES – 92 miles
BUSINESS CASE*

Mail Processing Workhour Savings:  $ 4,383,283
Mail Processing Management Savings:  $ 1,098,423
Maintenance Savings:  $ 4,250,707
Transportation Costs:  $ (1,219,270)
Proposed Annual Savings:  $ 8,513,143

*Preliminary results subject to change
EMPLYEE IMPACTS*

Craft Employees Impacted at Manasota P&DC        -209
Proposed Craft Positions to be added at Fort Myers + 94
Net Craft Employees impacts due to consolidation -115
Net Management Impact                              - 11

All bargaining employee reassignments will be made in accordance with the respective collective bargaining agreements.

*Preliminary results subject to change
CUSTOMER & DELIVERY SERVICES

- Supports a 2-3 day service standard for First-Class Mail
- Retail and other services
- Business mail acceptance
- Collection mail
- Delivery of mail
- Local postmark
NEXT STEPS

- Complete Area and HQ review
- Review Public Comments
- Continue Network Optimization studies
Mail additional comments to:

Manager, Consumer and Industry Contact
Suncoast District
2203 N Lois Ave, Ste 1163
Tampa FL 33607-7163

Must be postmarked by April 19, 2012