Brockton
Area Mail Processing (AMP)
Public Meeting

January 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

Processing Facilities

- 673 (2006)
- 623 (2007)
- 614 (2008)
- 599 (2009)
- 528 (2010)
- 487 (2011)
- Less than 200 (2012)
- 0 (2013)

As of 8/31/2011
Mail Processing Facility Footprint

487 Facilities Today

- Current Mail Processing Sites
Mail Processing Facility Footprint

Studying 252 Facilities for Potential Consolidation

Currently Under Study
Announced Sept. 15th
Mail Processing Redesign

Mail Processing Facility

Current Operation
- 12:00 p.m.
- 6:00 p.m. to 6:00 a.m.
- In use

Proposed Operation
- 12:00 p.m.
- 6:00 p.m. to 6:00 a.m.
- In use
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 – 42 miles
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mail Processing Workhour Savings</td>
<td>$9,049,670</td>
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<tr>
<td>Mail Processing Management Savings</td>
<td>$1,999,096</td>
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<tr>
<td>Maintenance Savings</td>
<td>$8,038,339</td>
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<tr>
<td>Transportation Savings</td>
<td>$1,841,912</td>
</tr>
<tr>
<td>Proposed Annual Savings</td>
<td>$20,929,017</td>
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</tbody>
</table>

*Preliminary results subject to change*
EMPLOYEE IMPACTS

Net craft impacts: -162

Net management impacts: -3

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 & Industry Contact
Boston District
25 Dorchester Ave.
Boston, MA  02205-0098

Must be postmarked by January 19, 2012