Campton, KY
Area Mail Processing (AMP)
Public Meeting

November 22, 2011
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

1970

CONSOLIDATION Excess Capacity

2006

2013
Potential Decrease in Processing Facilities Through 2013

As of 8/31/2011

Processing Facilities

2006: 673
2007: 623
2008: 614
2009: 599
2010: 528
2011: 487
2012: Less than 200
2013: Less than 200
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 Facility Footprint

Potential Network

[Map of the United States with various black dots representing potential network locations]
Mail Processing Redesign

Mail Processing Facility

Current Operation

Proposed Operation
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 – 135 miles
BUSINESS CASE*

Mail Processing Workhour Savings: $18,126
Maintenance Savings: $35,754
Transportation Savings: $204,582

Proposed Annual Savings: $258,462

*Preliminary results subject to change
EMPLOYEE IMPACTS*

Employee status would remain neutral.

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

*Preliminary results subject to change
CUSTOMER & DELIVERY SERVICES

- Retail hours remain the same
- Business mail acceptance remains the same
- Collection mail remains the same
- Local postmark remains
- Supports a 2-3 day service standard for First-Class Mail
- Mailers who drop ship to DSCF 413 and 414 can expect changes if AMP is approved
NEXT STEPS

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

Manager, Consumer & Industry Contact
Kentuckiana District
P.O. Box 31631
Louisville, KY  40231-9631

Must be postmarked by December 7, 2011