Central MASS
Area Mail Processing (AMP)
Public Meeting

January 5, 2012
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Area Mail Processing (AMP)
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January 5, 2012
Two Topics

Radical Network Realignment

Area Mail Processing Study
NETWORK CAPACITY

GROWTH
Capacity Expansion

1970 - 2006
Mail Volume Shifting to a Less Profitable Mix

First-Class Mail

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume (Billions of Pieces)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>98</td>
</tr>
<tr>
<td>2010</td>
<td>78</td>
</tr>
<tr>
<td>2016</td>
<td>54</td>
</tr>
<tr>
<td>2020</td>
<td>39</td>
</tr>
</tbody>
</table>

Standard Mail

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume (Billions of Pieces)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>103</td>
</tr>
<tr>
<td>2010</td>
<td>83</td>
</tr>
<tr>
<td>2016</td>
<td>85</td>
</tr>
<tr>
<td>2020</td>
<td>86</td>
</tr>
</tbody>
</table>

Volume in Billions of Pieces
NETWORK CAPACITY

GROWTH Capacity Expansion

1970

CONSOLIDATION Excess Capacity

2006

2013
Potential Decrease in Processing Facilities Through 2013

As of 8/31/2011
Mail Processing Facility Footprint

487 Facilities Today

- Current Mail Processing Sites
Studying 252 Facilities for Potential Consolidation

☆ Currently Under Study
☆ 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
Topic

Area Mail Processing Study
<table>
<thead>
<tr>
<th>Number</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>559,000</td>
<td>Total Career Employees</td>
</tr>
<tr>
<td>151,000</td>
<td>Total Mail Processing Employees</td>
</tr>
<tr>
<td>35,000</td>
<td>Fewer Mail Processing Positions</td>
</tr>
</tbody>
</table>
46 miles to Boston, 52 miles to Middlesex Essex
BUSINESS CASE*

Mail Processing Workhour Savings: $4,359,057
Mail Processing Management Savings: $1,992,472
Maintenance Savings: $5,113,790
Transportation Costs: ($3,747,601)

Proposed Annual Savings: $7,717,718

*Preliminary results subject to change
EMPLOYEE IMPACTS*

Net craft impacts: -86
Net management impacts: -10

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 20, 2012