Kinston, NC
Area Mail Processing (AMP)
Public Meeting

December 6, 2011
Two Topics

Radical Network Realignment

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

First-Class Mail

Standard Mail

Volume in Billions of Pieces

2006 2010 2016 2020

98 78 54 39

103 83 85 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
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
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 – 91.9 miles
BUSINESS CASE*

Mail Processing Workhour Savings: $1,944,451
Mail Processing Management Savings: $140,391
Maintenance Savings: $1,364,700
Transportation Savings: $1,607,103
Proposed Annual Savings: $5,065,645

*Preliminary results subject to change
EMPLOYEE IMPACTS*

Net craft impacts: -14

Net management impacts: -0

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
Mid-Carolinas District
2901 Scott Futrell Drive
Charlotte NC 28228-9976

Must be postmarked by December 21, 2011