Scranton, PA
Area Mail Processing (AMP)
Public Meeting

November 22, 2011
Two Topics

Radical Network Realignment

Area Mail Processing Study
NETWORK CAPACITY

GROWTH
Capacity Expansion

1970 → 2006
NETWORK CAPACITY

GROWTH Capacity Expansion

CONSOLIDATION Excess Capacity

1970 → 2006 → 2013
Mail Processing Facility Footprint

487 Facilities Today

- Current Mail Processing Sites
Studying 252 Facilities for Potential Consolidation

- ★ Currently Under Study
- ★ Announced Sept. 15th
Mail Processing Facility Footprint

Potential Network
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
<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>
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</table>
Topic

Area Mail Processing Study
DISTANCE BETWEEN FACILITIES – 73.3 miles
<table>
<thead>
<tr>
<th>Service</th>
<th>Savings</th>
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<tbody>
<tr>
<td>Mail Processing Workhour</td>
<td>$3,284,926</td>
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<tr>
<td>Mail Processing Management</td>
<td>$1,539,749</td>
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<tr>
<td>Maintenance</td>
<td>$189,047</td>
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<tr>
<td>Transportation</td>
<td>$705,435</td>
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<tr>
<td>Proposed Annual</td>
<td>$5,719,157</td>
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</tbody>
</table>

*Preliminary results subject to change
EMPLOYEE IMPACTS*

Net craft impacts: -101

Net management impacts: -7

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
CENTRAL PA DISTRICT
1425 CROOKED HILL RD
HARRISBURG PA 17107-9601

All comments must be postmarked by December 7, 2011.