Southern CT (Wallingford) P&DC
Area Mail Processing (AMP)
Public Meeting

January 11, 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

As of 8/31/2011

Processing Facilities

2006 2007 2008 2009 2010 2011 2012 2013
673 623 614 599 528 487

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
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
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 – 25 miles
DISTANCE BETWEEN FACILITIES – 55 miles
BUSINESS CASE*

Mail Processing Workhour Savings: $9,648,852
Mail Processing Management Savings: $2,152,022
Maintenance Savings: $10,367,992
Transportation Savings: $1,519,003
Proposed Annual Savings: $23,687,869

*Preliminary results subject to change
EMPLOYEE IMPACTS

Net craft impacts: -273

Net management impacts: -8

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
Connecticut Valley District
141 Weston Street
Hartford CT  06101-9631

Must be postmarked by January 26, 2012