Wausau, WI
Area Mail Processing (AMP)
Public Meeting

November 29, 2011
Two Topics

Radical Network Realignment

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

First-Class Mail

Volume in Billions of Pieces

Standard Mail

Volume in Billions of Pieces
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
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 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
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 – 89.7 miles
## BUSINESS CASE

<table>
<thead>
<tr>
<th>Category</th>
<th>Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mail Processing Workhour Savings</td>
<td>$3,293,885</td>
</tr>
<tr>
<td>Mail Processing Management Savings</td>
<td>$666,994</td>
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<tr>
<td>Maintenance Savings</td>
<td>$1,844,033</td>
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<tr>
<td>Transportation Savings</td>
<td>$1,262,926</td>
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<tr>
<td>Proposed Annual Savings</td>
<td>$7,067,838</td>
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</tbody>
</table>

*Preliminary results subject to change*
EMPLOYEE IMPACTS*

Net bargaining employee impacts: -56
Net management impacts: -5

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
Lakeland District
PO Box 5008
Milwaukee WI 53201-5008

Must be postmarked by December 14, 2011