Youngstown, Ohio
Area Mail Processing (AMP)
Public Meeting

December 28, 2011
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

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
### Our Employees

<table>
<thead>
<tr>
<th>559,000</th>
<th>Total Career Employees</th>
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<tbody>
<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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</tbody>
</table>
Topic

Area Mail Processing Study
DISTANCE BETWEEN FACILITIES – 66.7 miles
BUSINESS CASE*

Mail Processing Workhour Savings: $4,874,590
Annual Non-Mail Processing Savings $143,917
Mail Processing Management Savings: $454,135
Maintenance Savings: $1,477,101
Transportation Savings: $827,633

Proposed Annual Savings: $7,777,376

*Preliminary results subject to change
EMPLOYEE IMPACTS*

Net craft impacts: -97
Net management impacts: -2

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
Northern Ohio District
2400 Orange Avenue Room 25
Cleveland, Ohio 44101-9631

Must be postmarked by January 12, 2011