Beaumont TX P&DF
Area Mail Processing (AMP)
Public Meeting

January 4, 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
Studying 252 Facilities for Potential Consolidation

Currently Under Study
Announced Sept. 15th
Mail Processing Redesign

Current Operation

12:00 p.m.

In use

6:00 p.m.

6:00 a.m.

Proposed Operation

12:00 a.m.

In use

6:00 p.m.

6:00 a.m.

12:00 p.m.
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
DISTANCE BETWEEN FACILITIES – 87 miles
BUSINESS CASE*

Mail Processing Workhour Savings: $4,689,163
Mail Processing Management Savings: $892,978
Maintenance Savings: $1,950,868
Transportation Costs: $(37,585)
Proposed Annual Savings: $7,495,424

*Preliminary results subject to change
EMPLOYEE IMPACTS*

Craft Employees Impacted at Beaumont P&DF -122
Net Management Impact - 6

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 and Industry Contact
Houston District
PO Box 250001
Houston TX 77202-9631

Must be postmarked by January 19, 2012.