Northern NJ Metro P&DC, Teterboro, NJ
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
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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</tbody>
</table>
Topic

Area Mail Processing Study
DISTANCE BETWEEN FACILITIES – 14 miles
BUSINESS CASE*

Mail Processing Workhour Savings: $12,724,246
Mail Processing Management Savings: $3,161,744
Maintenance Savings: $8,690,117
Transportation Costs: (-$850,511)
Proposed Annual Savings: $24,849,884

Note: Major categories are listed above

*Preliminary results subject to change
EMPLOYEE IMPACTS*

Net craft impacts: -390
Net management impacts: -9

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 NJ District
494 Broad Street
Newark NJ 07102-9331

Must be postmarked by January 26, 2012