



UNITED STATES
POSTAL SERVICE®

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

May 16, 2013

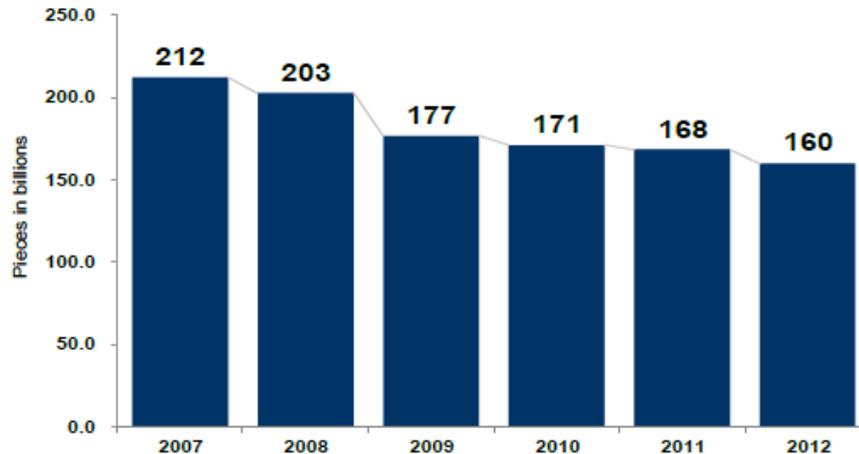


Two Topics

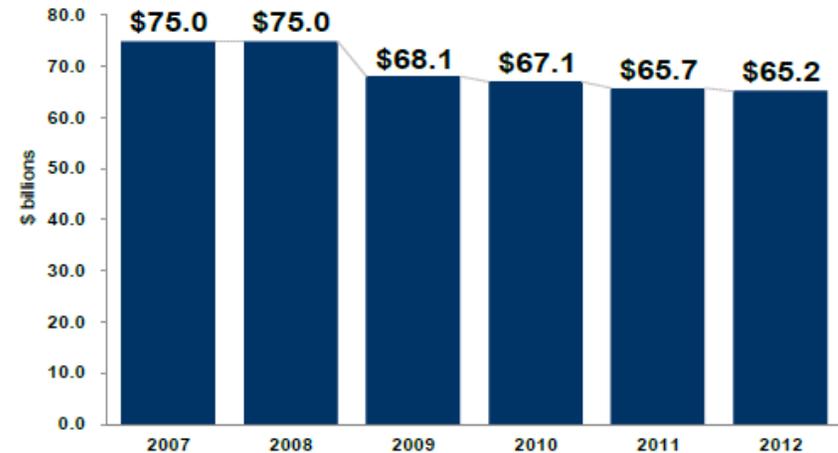
**Network
Realignment
Initiative**

**Area Mail
Processing
Study**

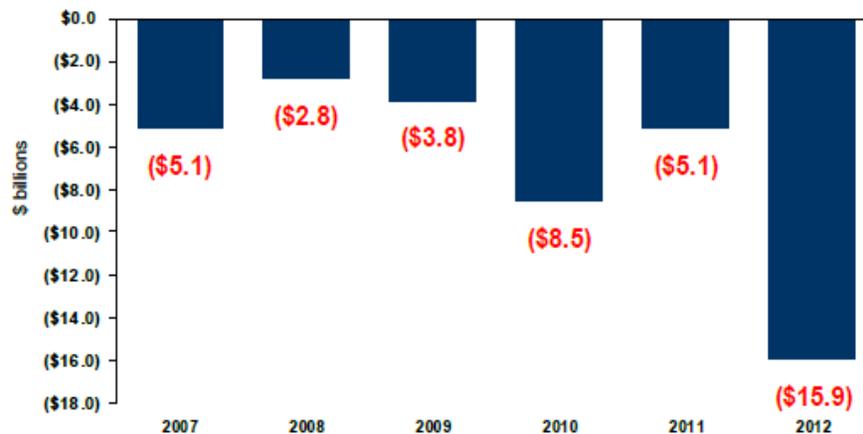
Mail Volume Decline: 25% from 2007 to 2012



Revenue Down \$10B (13%) from '07 to '12



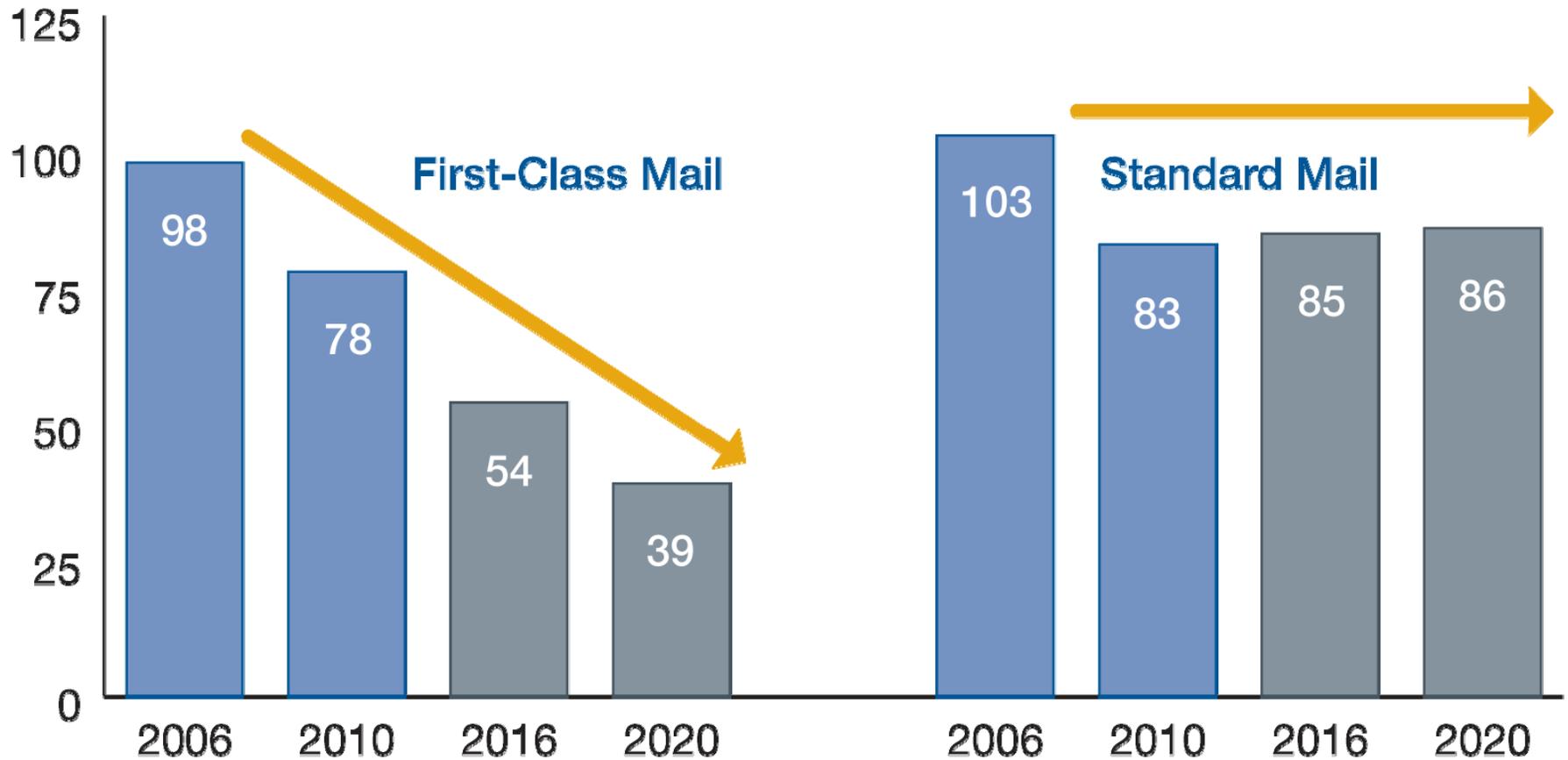
\$41B of Net Losses



Borrowing Reserves Fully Used



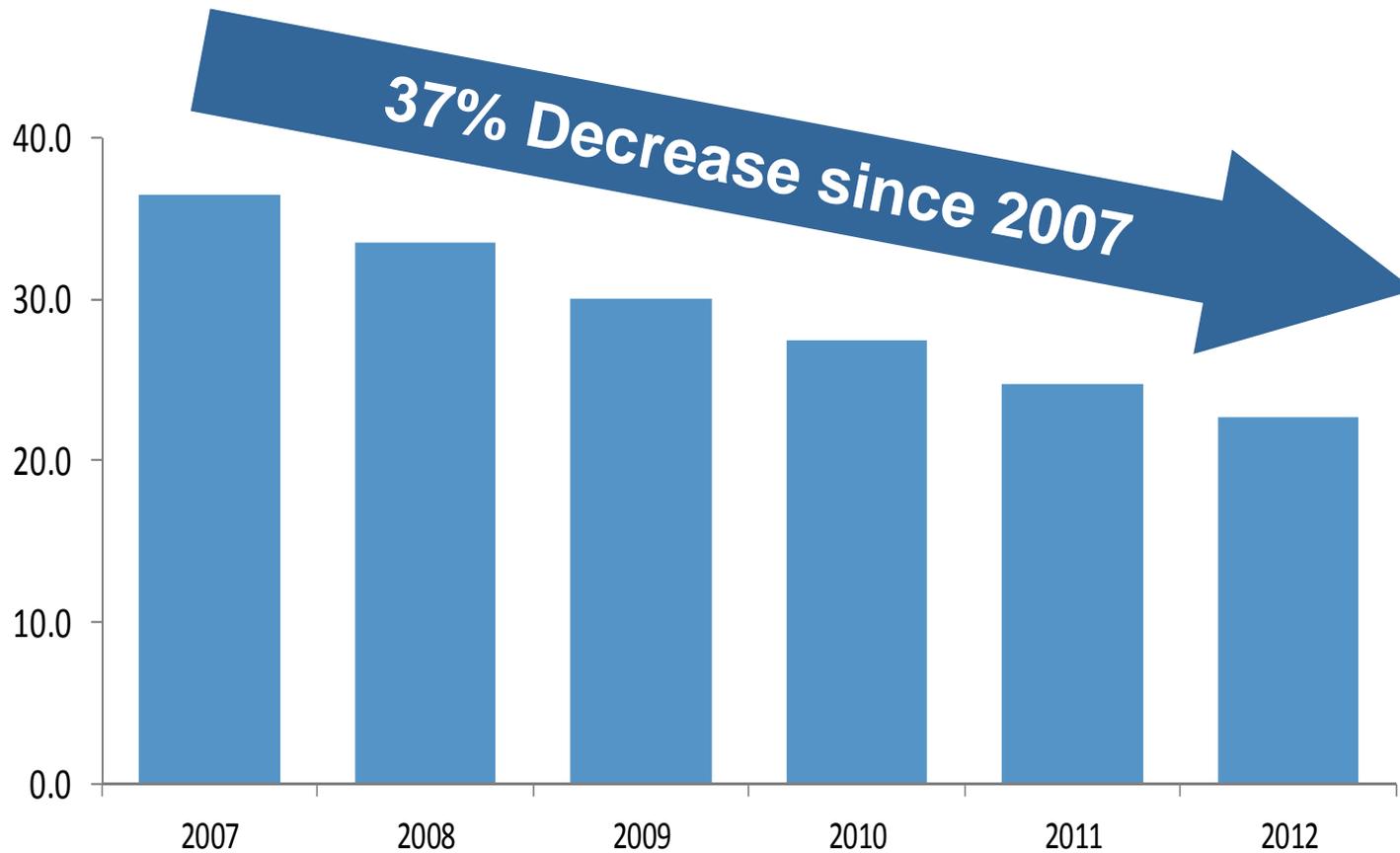
Dire financial position requires urgent action to ensure continued mail delivery and to restore long-term self sufficiency.



Volume in Billions of Pieces

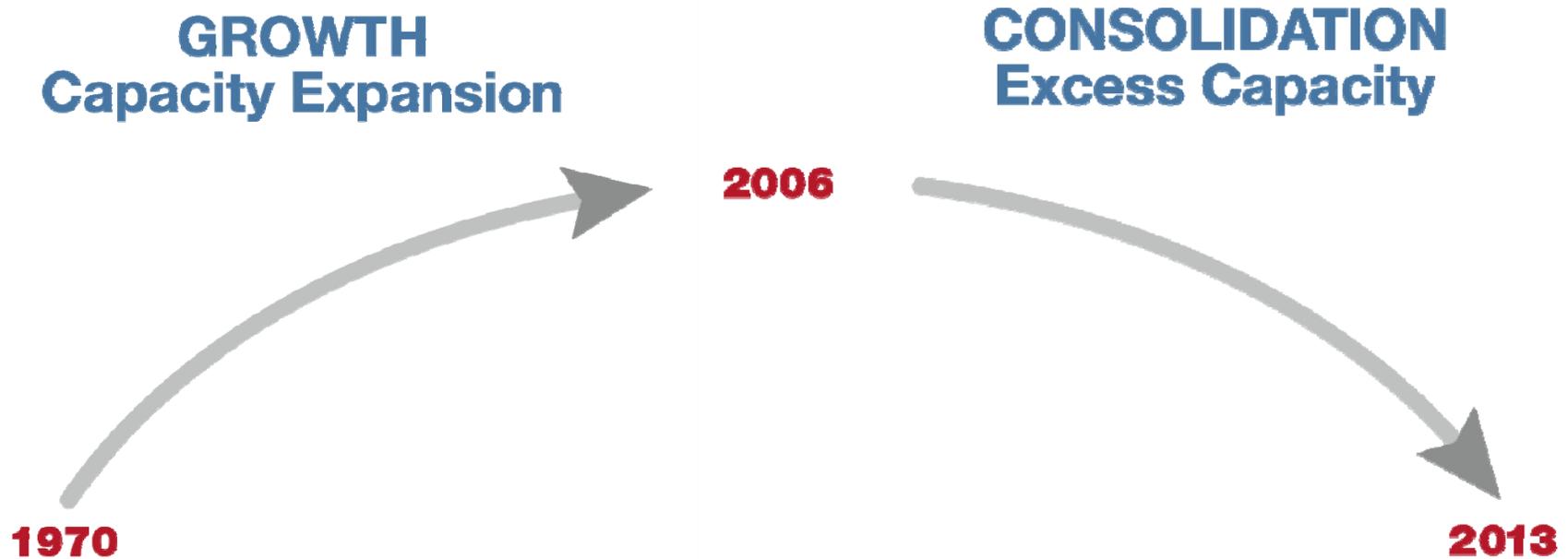
Adapting to America's Changing Mailing Habits

First-Class, Single-Piece Volumes



Volume in Billions of Pieces

NETWORK CAPACITY



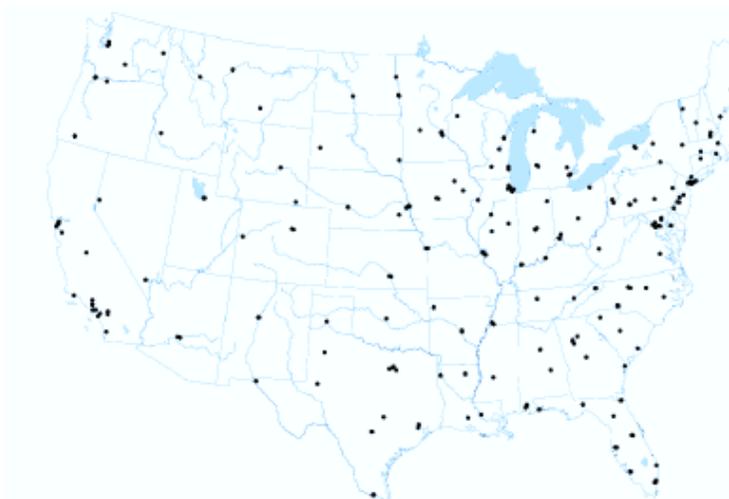
Consolidate Excess Capacity

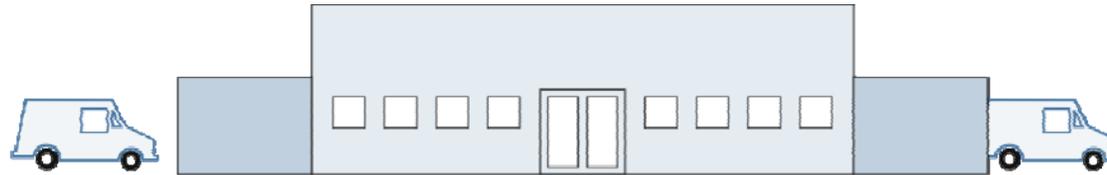
- ❑ 417 processing facility network built to handle 250 billion pieces of mail
- ❑ Current and projected volumes call for network of <250 facilities
- ❑ 2012 Plan assumed all consolidations & service standard changes in 2012.
- ❑ In Summer 2012, adopted two-phase approach in order to allow Congress sufficient time to pass comprehensive Postal Reform legislation.
 - ❑ Phase I - Summer 2012 - Spring 2013.
 - ❑ Phase 2 - Spring 2014.
- ❑ Accelerating portions of Phase 2 Consolidations to June-Sept '13 without impacting service standard.
- ❑ \$3.4 billion savings achieved in 2017, including workload effects.

From 417 Processing Facilities

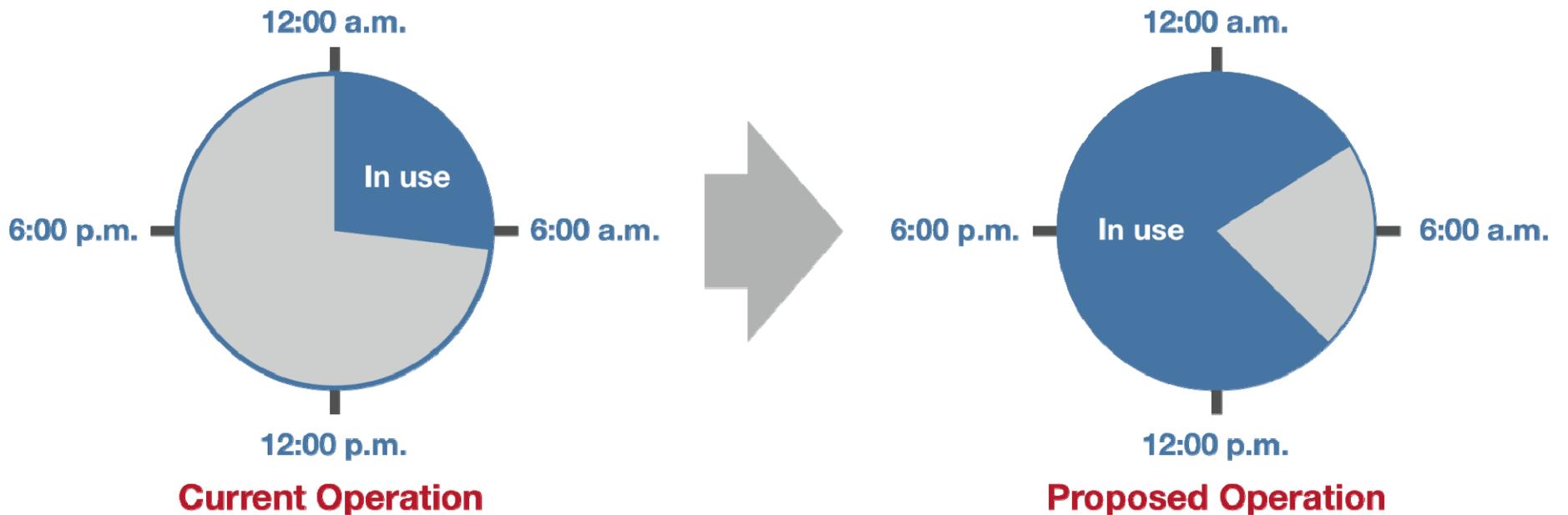


Rationalized Network of <250 Facilities





Mail Processing Facility



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

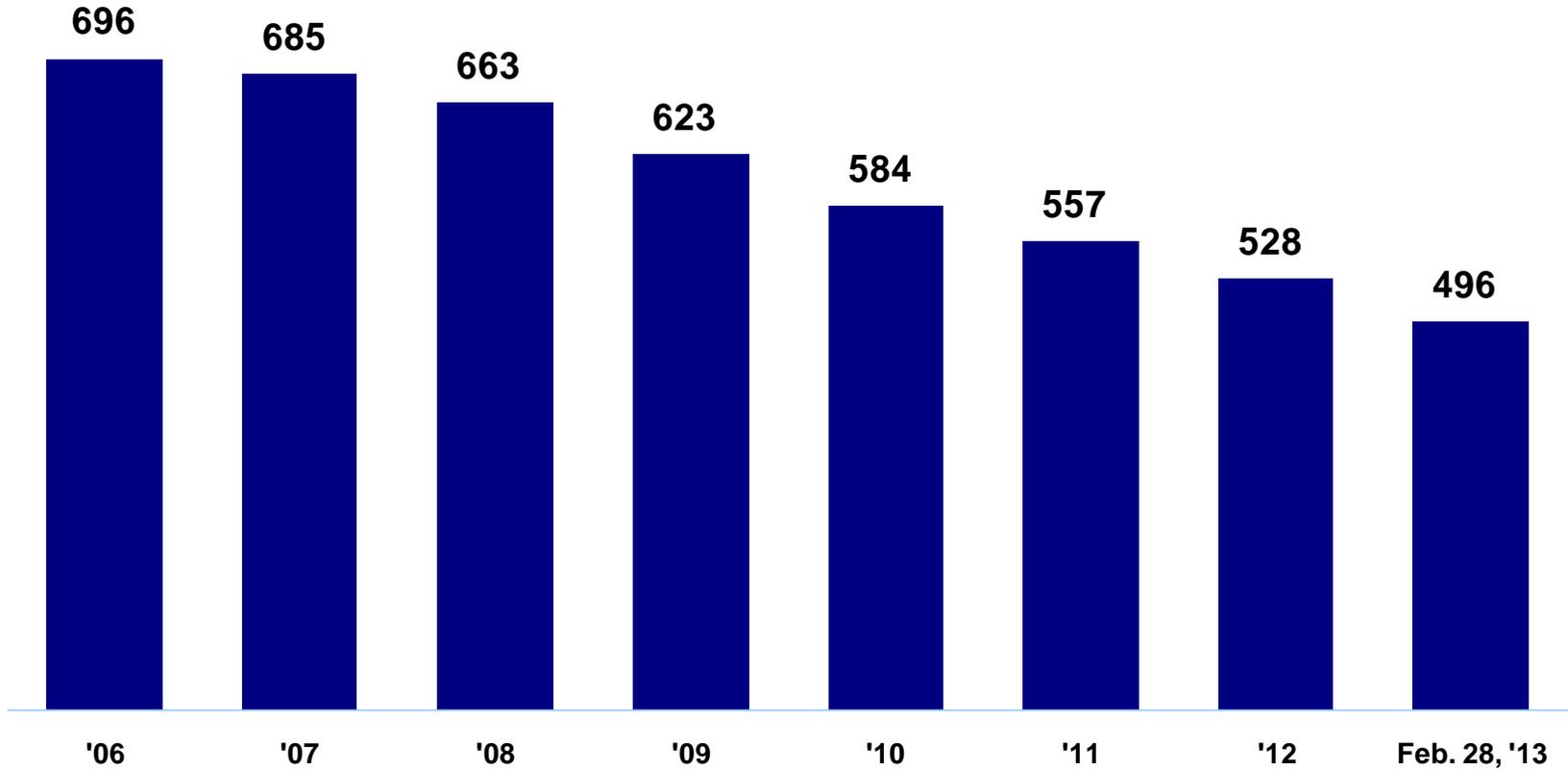
- Planning for new mail processing footprint and transport pattern
 - Transitioning to 2-3 day service standard
-

OUR APPROACH

- Ongoing communication and collaborative solutions

Career Employees – Reduced by 168,000 (24%) during last six fiscal years, without layoffs

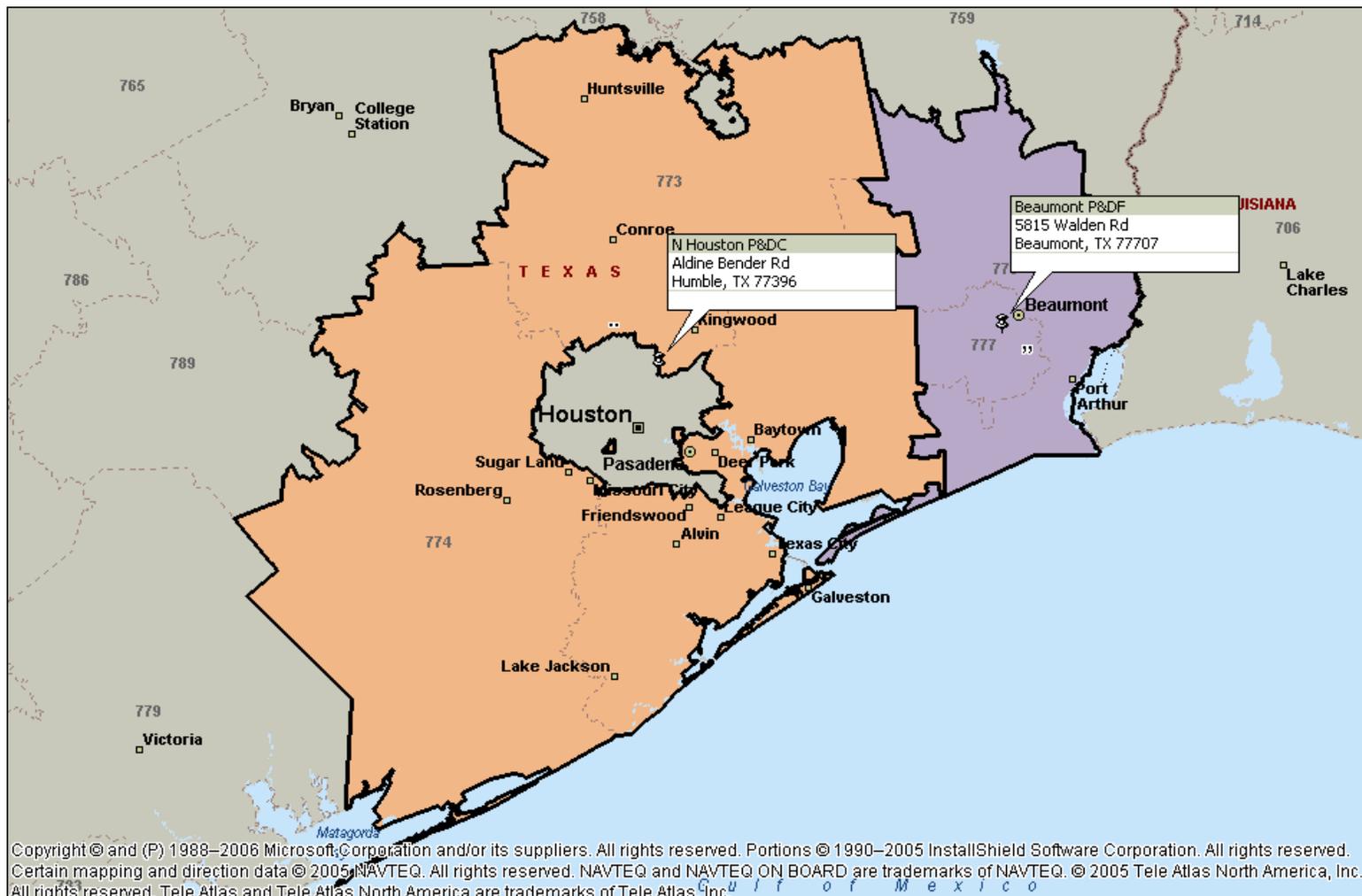
(in thousands)



AREA MAIL PROCESSING STUDY

- Outgoing Mail from Beaumont Service Area is currently processed at North Houston (10/01/12)
- This study is to determine the feasibility of moving the destinating volumes to the North Houston P & DC.

DISTANCE BETWEEN FACILITIES – 87.5 miles



BUSINESS CASE*

Mail Processing Workhour Savings:	\$ 1,736,998
Mail Processing Management Savings:	\$ 304,626
Maintenance Savings:	\$ 2,447,644
Transportation Savings:	\$ 1,309,686
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Proposed Annual Savings:	\$ 5,798,954

***Preliminary results subject to change**

EMPLOYEE IMPACTS*

Craft Employees Impacted at Beaumont TX P&DF	- 94
Proposed Craft Positions to be added at N. HOU P&DC	+ 55
Net Craft Employees impacts due to consolidation	- 39
Net Management Impact	+ 8
Net Employee Reduction	-31

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

ONLY ONE PART OF OUR PLAN TO:

- Preserve the ability to provide and finance secure, reliable and affordable universal delivery service
- Further economic growth and enhance commerce
- Implement comprehensive transformation for a long-term sustainable financial future
- Protect U.S. taxpayers (avoid federal funding and appropriations)
- Maintain fairness to employees and customers

NEXT STEPS

- Complete Area and HQ review
- Review Public Comments
- Continue Network Optimization studies

Mail additional comments to:

Manager, Consumer & Industry Contact
Houston District
401 Franklin Street, Room 515
Houston, TX 77201-9631

*Must be postmarked by **May 31, 2013***