

UNITED STATES
POSTAL SERVICE®

Network Realignment Update

Eastern Area Focus Group Meeting

February 6, 2013

- Rationale for the plan
- Phased approach to plan
- Summer 2012 consolidation activity
- Winter / Spring 2013 consolidation activity
- Customer communication & feedback process

Volume

- Transactional volume declining due to e-diversion
- Advertising mail is subject to more substitution options
- Mail volume highly sensitive to economic changes
- Mail mix changes – lost profit contributions

**Declining
steadily**

**Fixed Cost
Base**

Universal Service Obligation

Postal network driven by:

- Delivery points
- Retail locations
- Sortation facilities
- Six-day delivery

**These trends will
continue to put
pressure on USPS's
ability to provide
affordable universal
service**

Price

- Capped by inflation
- Price elasticities are in flux due to growing alternatives

**Rising but
capped**

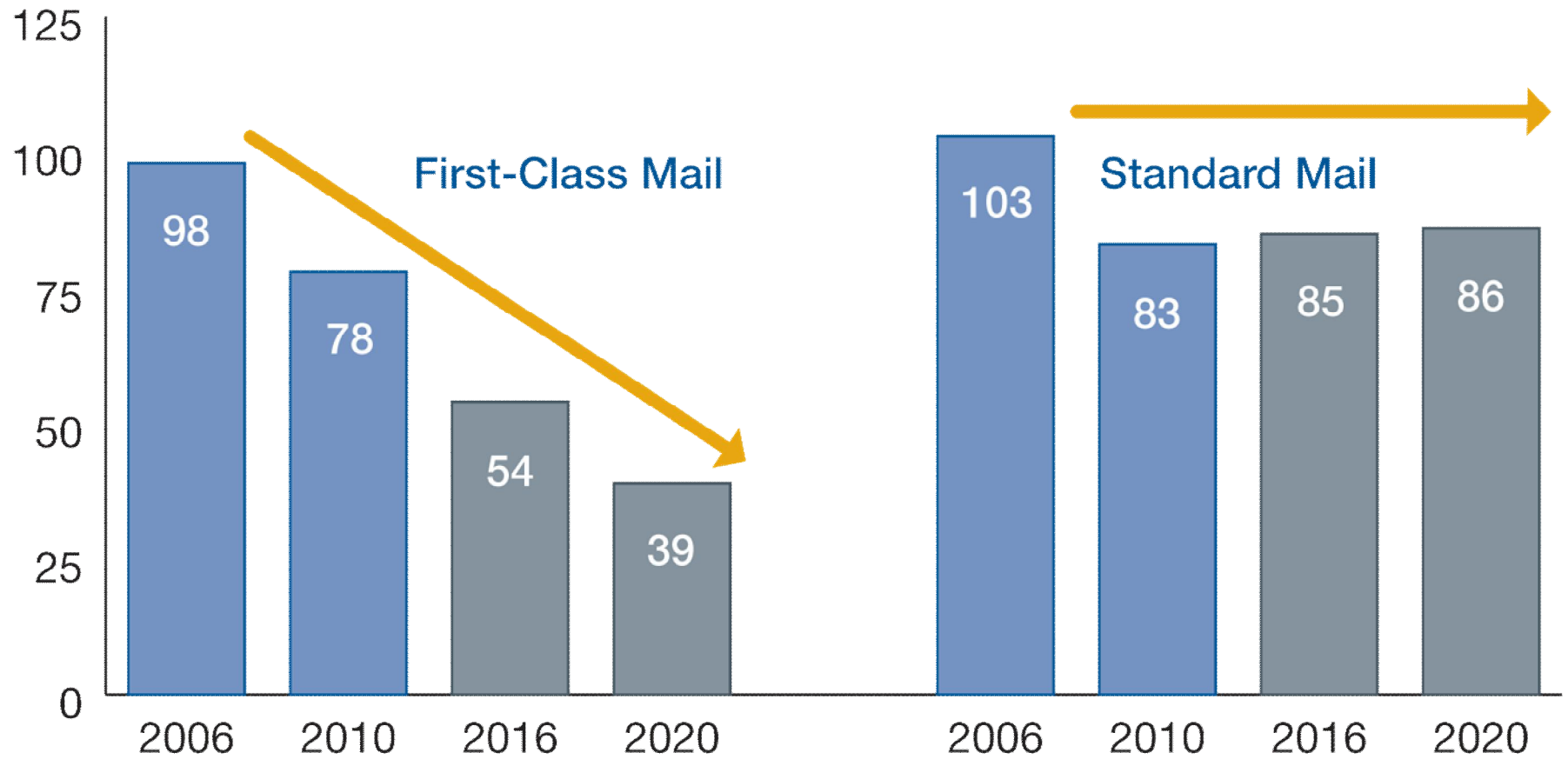
**Rising Cost
per hour**

Labor Costs

- ~80% of total costs
- COLA increases
- Benefits: pensions, retiree health, health insurance
- Limited flexibility
- Retiree prefunding obligation, rising workers' compensation costs

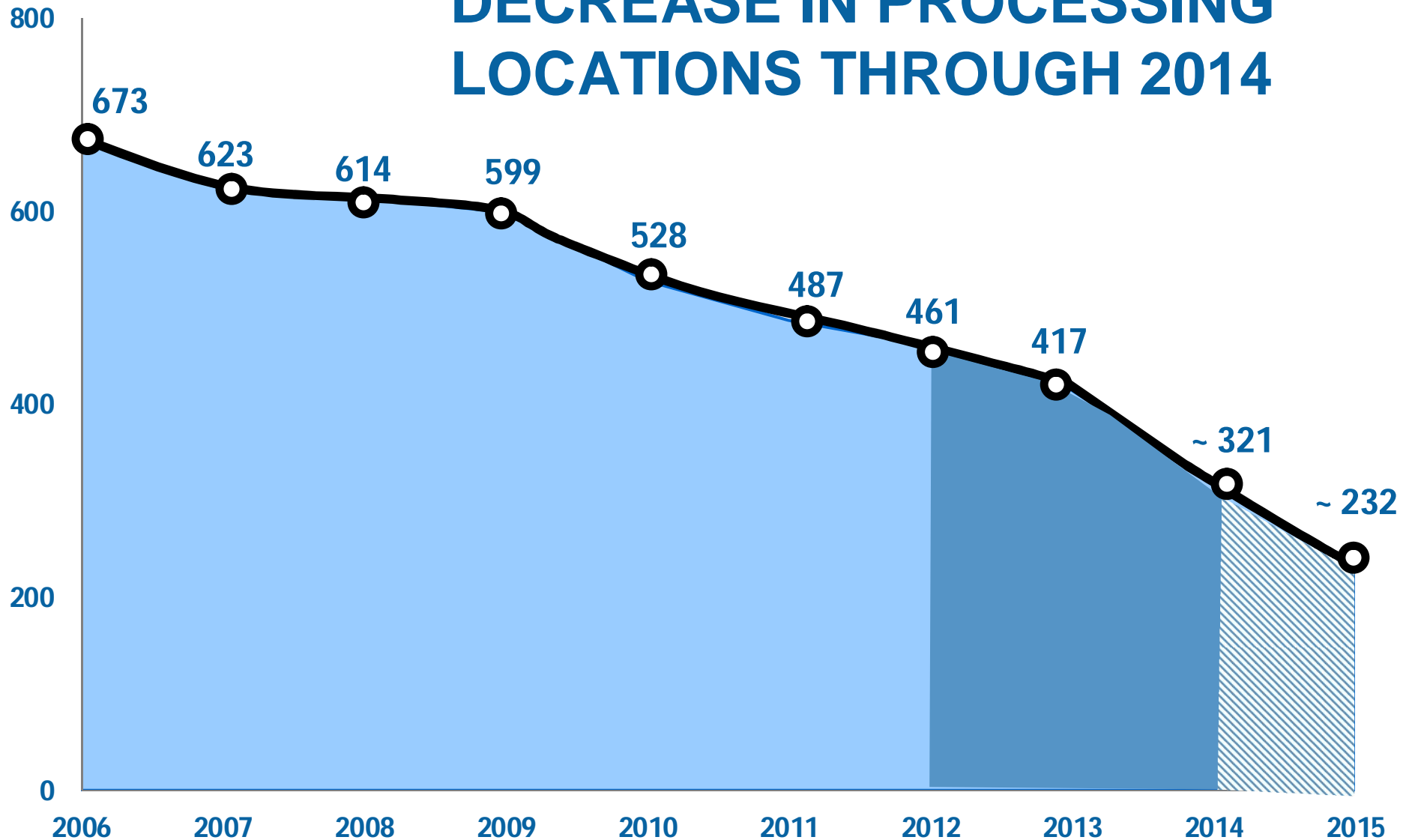


Mail Volume Shifting to a Less Profitable Mix

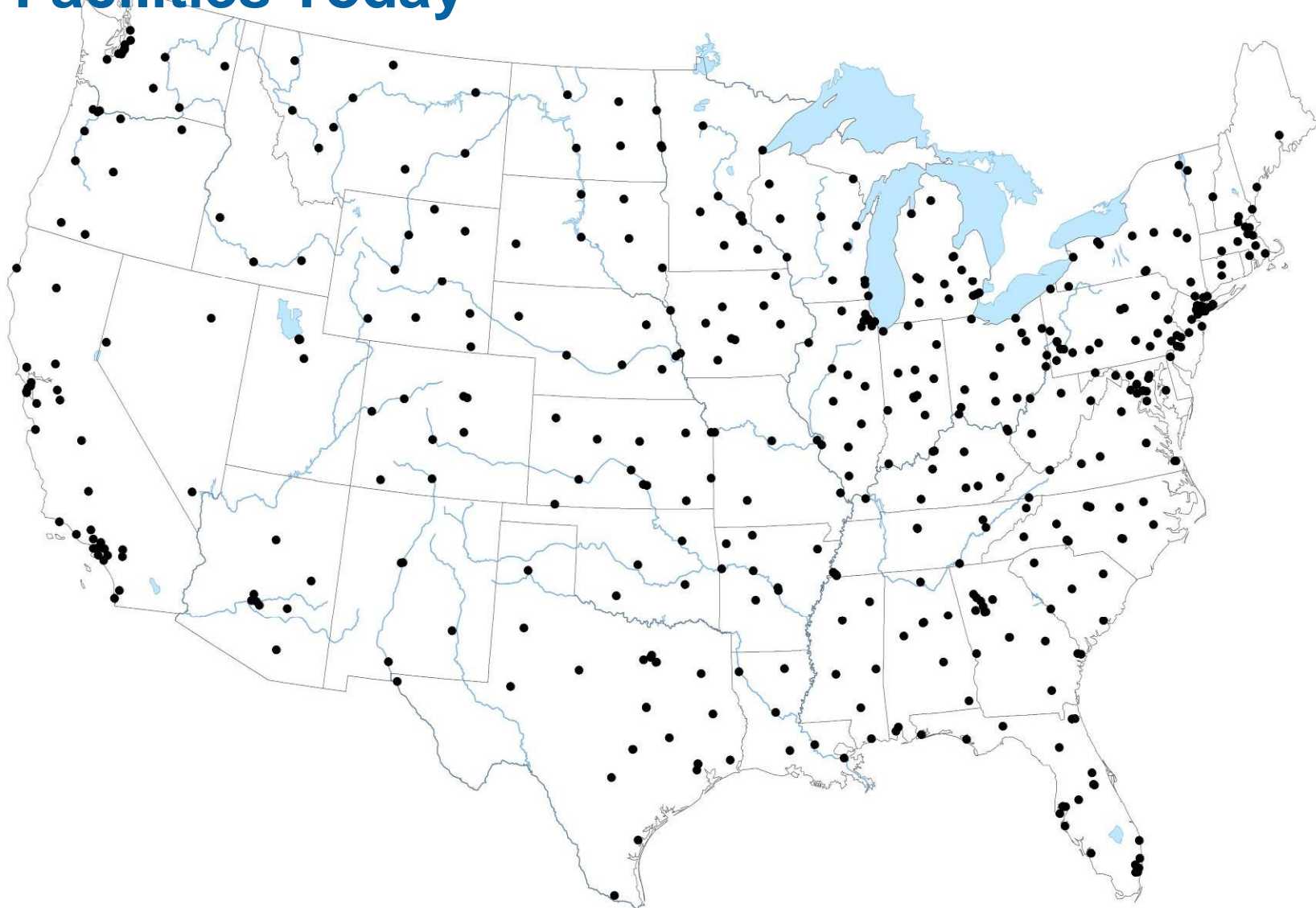


Volume in Billions of Pieces

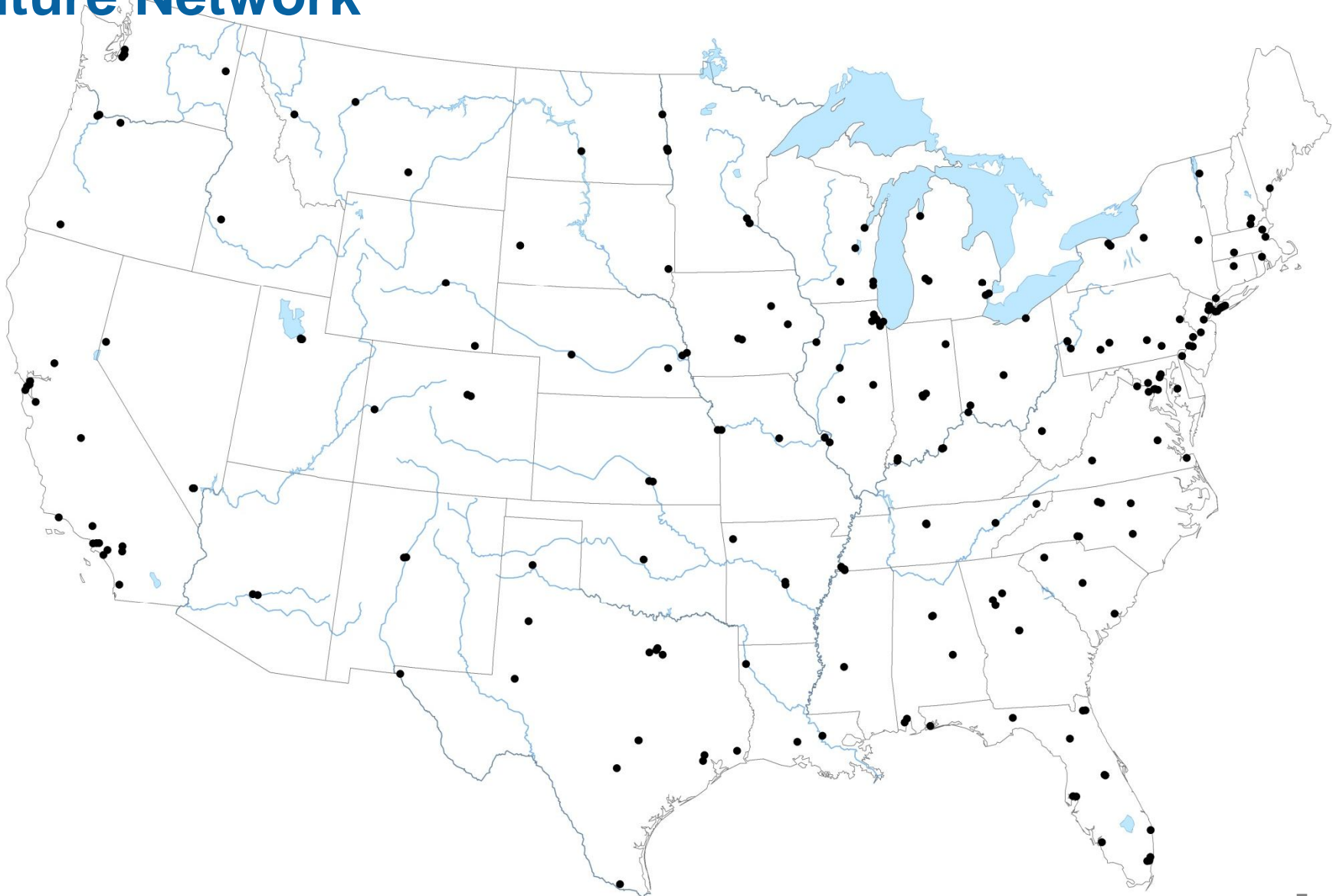
DECREASE IN PROCESSING LOCATIONS THROUGH 2014



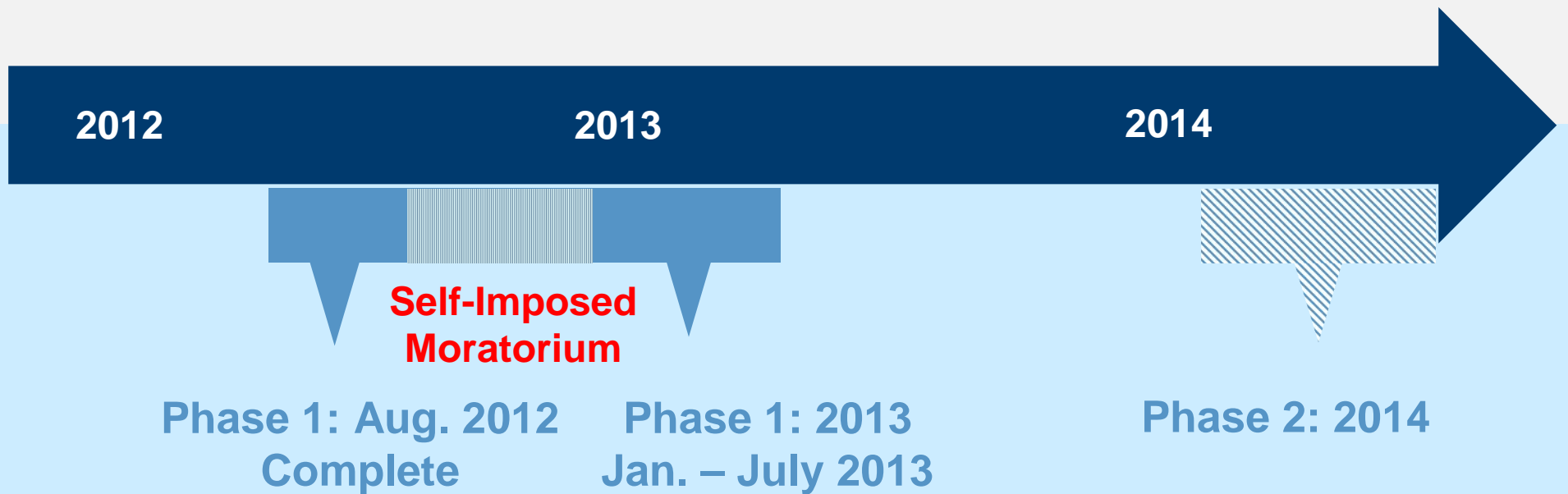
417 Facilities Today



Future Network



CURRENT NETWORK RATIONALIZATION TIMELINE



Interim Service Standard Change

- ➔ Final Rule published in *Federal Register*, May 2012

- ➔ Maintains overnight service for areas served by local mail processing facility

- ➔ Preserves 80% of overnight delivery volume

- ➔ Post-2014: Plan revised entry times for overnight

LIMITED ACTIVITY THIS PAST SUMMER

- ➔ Consolidation activity at 46 locations
- ➔ Equipment and employee moved to larger “gaining” sites
- ➔ Realigned transportation model eliminates multiple overnight trips
- ➔ 5,000 employees received notifications



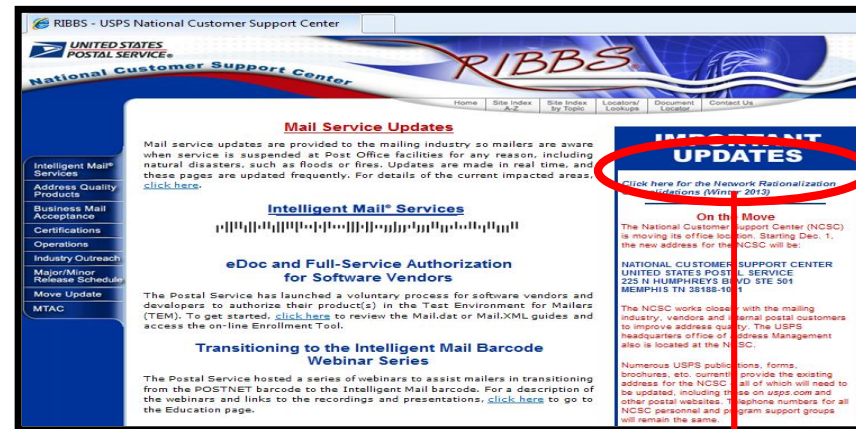
Full	Originating Only	Destinating Only	Total
40	12	48	100

- **Originating** – Mail that is dropped in a collection box or at the local post office served by that particular processing center.
- **Destinating** – Mail that originated across the country and is destined for addresses serviced by that particular processing center.
- **Consolidations will take place between January and July 2013**

***Number of Consolidations as of Mail Move Plan
published January 25, 2013***

Mail Move Plan is updated and posted weekly on RIBBS
<https://ribbs.usps.gov>

RIBBS

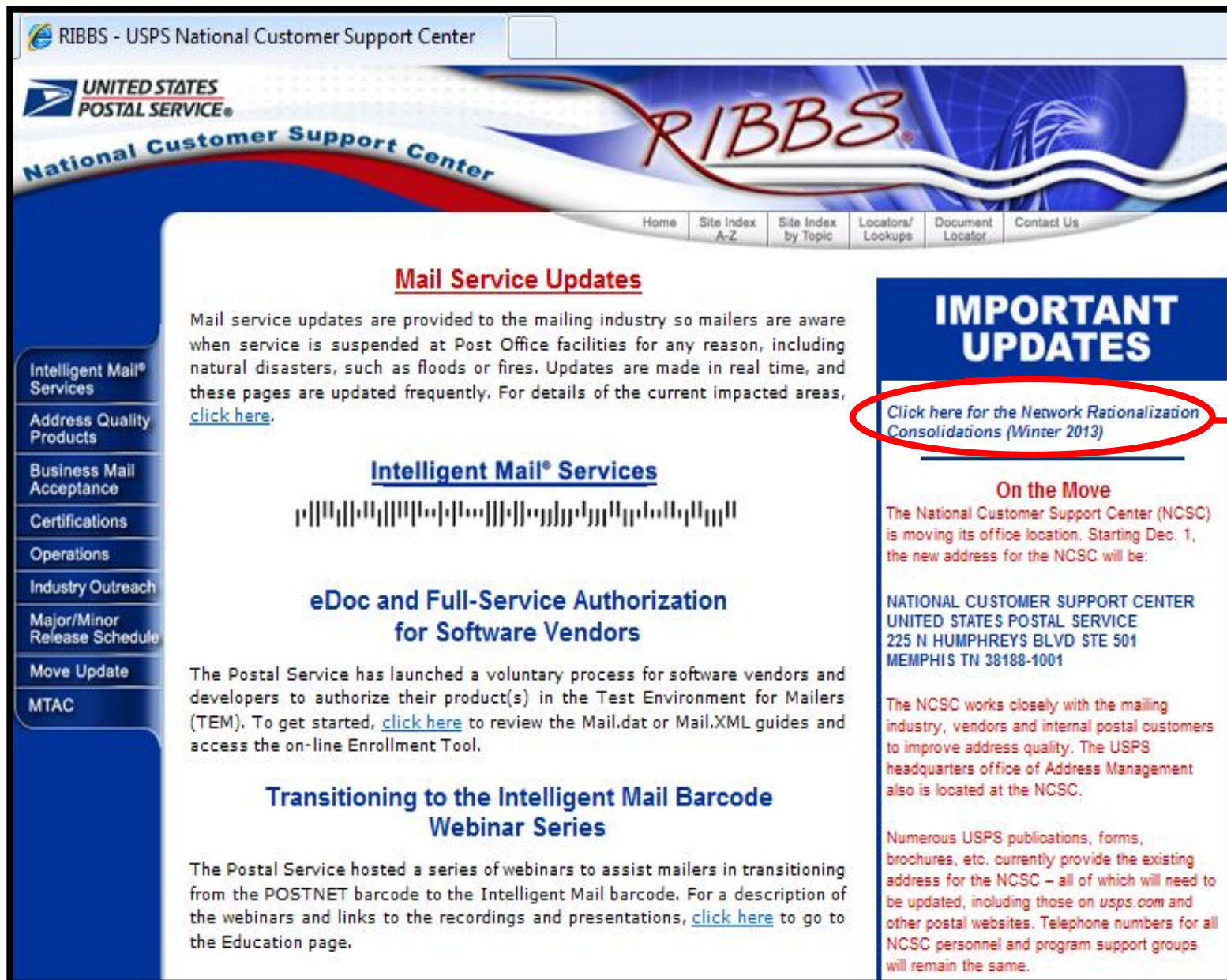


- Enables mailers to plan consolidation implementation progress

Mail Move Plan File

- File provides targeted mail move information, type, and date

AREA	De-Activation Plant	Mail							Activation Plant	
		Originating			Destinating			DPS		
		O-Letter	O-Flat	O-Package	D-Letter	D-Flat	D-Package			DPS-Letter
SA	Jonesboro CSMP	1/22/13	1/22/13	1/22/13	1/22/13	2/16/13	2/16/13	2/16/13	2/16/13	Little Rock P&DC
SA	Jonesboro CSMP	1/16/13	2/16/13	2/16/13	2/16/13	2/16/13	2/16/13	2/16/13	2/16/13	Memphis P&DC
WE	Tucson P&DC	2/25/13	2/25/13	N/A	N/A	N/A	N/A	N/A	N/A	Phoenix P&DC
PA	Long Beach P&DC	N/A	N/A	N/A	7/1/13	7/1/13	7/1/13	7/1/13	7/1/13	Los Angeles P&DC
PA	Stockton P&DC	N/A	N/A	N/A	5/11/12	3/9/13	3/9/13	5/11/12	5/11/12	West Sacramento P&DC
SA	Gainesville P&DF	2/23/13	2/23/13	2/23/13	N/A	N/A	2/23/13	N/A	2/23/13	Jacksonville P&DC
SA	Panama City P&DF	N/A	N/A	N/A	1/26/13	1/26/13	1/26/13	1/26/13	1/26/13	Pensacola P&DC
SA	South Florida P&DC	N/A	N/A	N/A	2/23/13	N/A	N/A	2/23/13	2/23/13	Miami P&DC
CM	Aconorth GA CSMP	N/A	N/A	N/A	N/A	N/A	N/A	6/7/13	6/7/13	Atlanta P&DC
SA	Albany GA CSMP	2/23/13	2/23/13	2/23/13	2/23/13	2/23/13	2/23/13	2/23/13	2/23/13	Tallahassee P&DF
CM	Athens GA P&DF	N/A	N/A	N/A	2/8/13	N/A	N/A	N/A	N/A	North Metro P&DC
CM	Atlanta GA P&DC	4/19/13	4/19/13	N/A	N/A	N/A	N/A	N/A	N/A	North Metro P&DC
CM	Cartersville GA CSMP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2/22/13	Atlanta P&DC
SA	Columbus GA CSMP	N/A	N/A	N/A	2/23/13	2/23/13	2/23/13	2/23/13	2/23/13	Macon P&DC
CM	Douglasville GA CSMP	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1/22/13	Atlanta P&DC
CM	Marietta GA DDC	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3/22/13	North Metro P&DC
SA	Savannah P&DF	2/2/13	2/2/13	2/2/13	2/4/13	2/4/13	2/4/13	2/4/13	2/4/13	Charleston P&DF
SA	Savannah P&DF	2/2/13	2/2/13	2/2/13	2/2/13	2/2/13	2/2/13	2/2/13	2/2/13	Macon P&DC
SA	Savannah P&DF	2/2/13	2/2/13	2/2/13	2/2/13	2/2/13	2/2/13	2/2/13	2/2/13	Jacksonville P&DC
GL	Bloomington IL P&DF	N/A	N/A	N/A	2/23/13	2/23/13	2/23/13	2/23/13	2/23/13	Champaign P&DF
GL	Rockford P&DF	N/A	N/A	N/A	1/25/13	1/7/13	1/7/13	1/25/13	1/25/13	Palatine P&DC
GL	Gary P&DC	3/30/13	3/30/13	N/A	N/A	N/A	N/A	N/A	N/A	So Suburban P&DC



RIBBS - USPS National Customer Support Center

**UNITED STATES
POSTAL SERVICE®**

National Customer Support Center


RIBBS

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Mail Service Updates

Mail service updates are provided to the mailing industry so mailers are aware when service is suspended at Post Office facilities for any reason, including natural disasters, such as floods or fires. Updates are made in real time, and these pages are updated frequently. For details of the current impacted areas, [click here](#).

Intelligent Mail® Services



eDoc and Full-Service Authorization for Software Vendors

The Postal Service has launched a voluntary process for software vendors and developers to authorize their product(s) in the Test Environment for Mailers (TEM). To get started, [click here](#) to review the Mail.dat or Mail.XML guides and access the on-line Enrollment Tool.

Transitioning to the Intelligent Mail Barcode Webinar Series

The Postal Service hosted a series of webinars to assist mailers in transitioning from the POSTNET barcode to the Intelligent Mail barcode. For a description of the webinars and links to the recordings and presentations, [click here](#) to go to the Education page.

IMPORTANT UPDATES

[Click here for the Network Rationalization Consolidations \(Winter 2013\)](#)

On the Move

The National Customer Support Center (NCSC) is moving its office location. Starting Dec. 1, the new address for the NCSC will be:

**NATIONAL CUSTOMER SUPPORT CENTER
UNITED STATES POSTAL SERVICE
225 N HUMPHREYS BLVD STE 501
MEMPHIS TN 38188-1001**

The NCSC works closely with the mailing industry, vendors and internal postal customers to improve address quality. The USPS headquarters office of Address Management also is located at the NCSC.

Numerous USPS publications, forms, brochures, etc. currently provide the existing address for the NCSC – all of which will need to be updated, including those on [usps.com](#) and other postal websites. Telephone numbers for all NCSC personnel and program support groups will remain the same.

Click on the link for Latest Mail Move Plan

Mail Move Plan File Includes:

- **Consolidation sites scheduled for 2013**
- **Site address, locale key, and the name of the activation (gaining) facility**
- **Workload migration “target” dates**
- **Mail shape effected (e.g. letters, flats, parcels/bundles)**
- **Process step/entry level (e.g. originating, destinating, and DPS)**

AREA	De-Activation Plant	Mail							Activation Plant
		Originating			Destinating			DPS	
		O-Letter	O-Flat	O-Package	D-Letter	D-Flat	D-Package	DPS-Letter	
SA	Jonesboro CSMP	1/22/13	1/22/13	1/22/13	1/22/13	2/16/13	2/16/13	1/22/13	Little Rock P&DC
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CA	Stockton P&DC	N/A	N/A	N/A	5/11/12	3/9/13	3/9/13	5/11/12	West Sacramento P&DC
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SA	Panama City P&DF	N/A	N/A	N/A	1/26/13	1/26/13	1/26/13	1/26/13	Pensacola P&DC
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SA	Savannah P&DF	2/2/13	2/2/13	2/2/13	2/2/13	2/2/13	2/2/13	2/2/13	Jacksonville P&DC
GL	Bloomington IL P&DF	N/A	N/A	N/A	2/23/13	2/23/13	2/23/13	2/23/13	Champaign P&DF
GL	Rockford P&DF	N/A	N/A	N/A	1/23/13	1/7/13	1/7/13	1/23/13	Palatine P&DC
GL	Gary P&DC	3/30/13	3/30/13	N/A	N/A	N/A	N/A	N/A	So Suburban P&DC

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SA	Jonesboro CSMP	2/16/13	2/16/13	2/16/13	2/16/13	2/16/13	2/16/13	2/16/13	Memphis P&DC

Flawless Execution

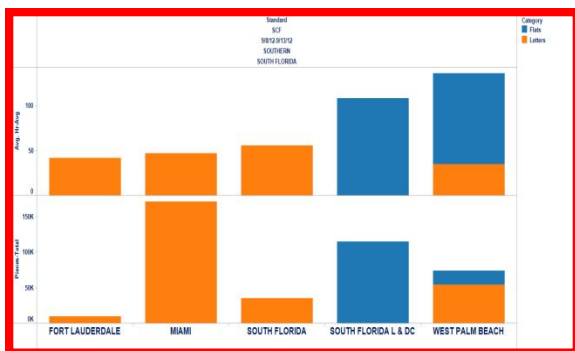
Early Warning System

Recovery “Tiger Team”

Tools &
Processes in
place to
ensure
Seamless
Service
Performance

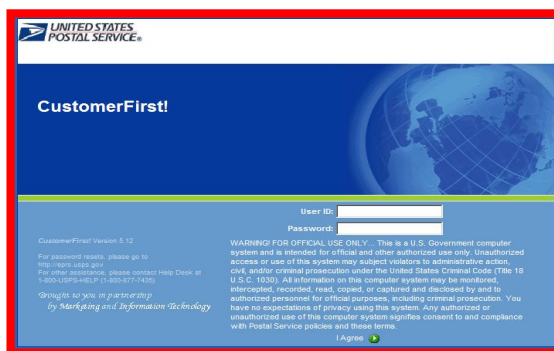
- Early Warning System (EWS) well established
- Mail move plan updated weekly and posted on RIBBS
- Continued communication with the mailing industry
- Site Intervention based on EWS
- Feedback system in place to address customer issues:
 - CustomerFirst! System
 - BSN eService

Available Tools



EWS Reports

- **Daily Monitoring of plant inventory levels**
 - First Class
 - Periodicals
 - Standard Letters
 - Standard Flats
- **Weekly Monitoring of:**
 - Work in Process (WIP)
 - Pieces processed after clearance time
 - STD on-hand



CustomerFirst System

- **Central repository of mailer customer issues**
- **Issues tracked as Service Requests (SR)**
- **SRs handled as open tickets that need resolution in order to be closed**



BSN eService

- **State of the Art, web based program that enables BSN customers to receive seamless, national customer support from a dedicated team of Business Service Network employees**
- **BSN customers can submit electronic inquiries and can learn status of inquiry from web account**
- **Non-BSN customers may contact a local BSN representative for support**

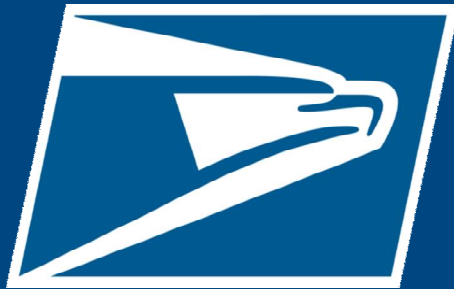
Industry Engagement is Imperative

- USPS remains committed to continued information sharing
- Mailers continue planning based on Mail Move plan schedule
- Review Mail Move plan file for up to date information
- Mail Move plan published weekly on the USPS Rapid Information Bulletin Board (RIBBS) at:
<https://ribbs.usps.gov>
- Report issues/concerns through available tools



Thank You

Questions?



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