

FREQUENTLY ASKED QUESTIONS

NETWORK OPTIMIZATION / AREA MAIL PROCESSING STUDIES

The Postal Service is continually improving efficiencies by making better use of space, staffing, equipment and transportation to process the nation's mail. Improving efficiencies has become increasingly important, given the significant reduction in the amount of First-Class Mail that enters the postal system. In fact, since 2006, First-Class Mail has declined by 25 percent. During this same time period, deployment of state-of-the-art automated mail-processing equipment has enabled more efficient processing than ever before. In many cases, mailers are increasing sortation and entering mail into the postal system closer to its final delivery point, thereby bypassing many postal processing and transportation operations.

These factors have created considerable excess processing capacity at many postal facilities where mail is canceled and sorted, which is why the Postal Service is actively looking at opportunities to increase efficiency by consolidating mail processing operations.

What is Network Optimization?

For decades the Postal Service expanded its network and infrastructure to accommodate a growing nation and an exponential increase in mail volume. The nationwide expansion resulted in more vehicles, more processing facilities, more processing equipment and more employees. Through network optimization, the Postal Service can adapt its network and infrastructure to the realities it's facing today — that for the first time in its history, the Postal Service must significantly reduce capacity across the board.

Will mail processing facilities be studied for closure like Post Offices?

Yes. Similar to Post Office studies, there is a proven, well-established plan called Area Mail Processing, or AMP, in place to study mail processing facilities for consolidation or closure.

What is an Area Mail Processing study?

An Area Mail Processing (AMP) study is the consolidation of mail processing operations to improve operational efficiency and/or service. An AMP study may involve the consolidation of originating operations (canceling and sorting locally generated mail at a facility close to where the mail originates), destination operations (sorting and preparing mail received from more distant areas for local delivery) or both. The intent is to more efficiently use Postal Service equipment, facilities, staff work hours and transportation.

Additional information can be found at <http://about.usps.com/streamlining-operations/area-mail-processing.htm>.

Where is the list of processing facilities that are being studied?

The list of facilities can be found at <http://about.usps.com/news/electronic-press-kits/our-future-network/welcome.htm>.

Have processing facilities ever been removed from the list and kept operational?

Yes. Since 2006, 17 processing facility studies have been halted or disapproved for infeasibility, which includes logistical challenges, capacity issues and little or no savings to be realized.

What criteria are being used to study the facilities?

Criteria include:

- Expected savings
- Service
- Transportation and logistic networks
- Capacity within processing plant
- Amount of required capacity (mail volumes)
- Using the least amount of equipment
- Maximizing capacity

How many of the processing facilities on the list are expected to close?

We do not have an exact figure at this point since the feasibility studies will take some time; however, it is conceivable that with the amount of excess capacity in the system, a significant percentage could be consolidated.

How soon could that happen?

The studies are expected to take between three and four months to complete. It is conceivable that the consolidations could begin in the February–March 2012 time frame.