



UNITED STATES
POSTAL SERVICE®

**Iron Mountain, MI
Area Mail Processing (AMP)
Public Meeting**

October 26, 2011



Two Topics

**Radical
Network
Realignment**

**Area Mail
Processing
Study**



Volume in Billions of Pieces

NETWORK CAPACITY

GROWTH
Capacity Expansion



NETWORK CAPACITY



Potential Decrease in Processing Facilities Through 2013



487 Facilities Today



● Current Mail Processing Sites

Studying 252 Facilities for Potential Consolidation



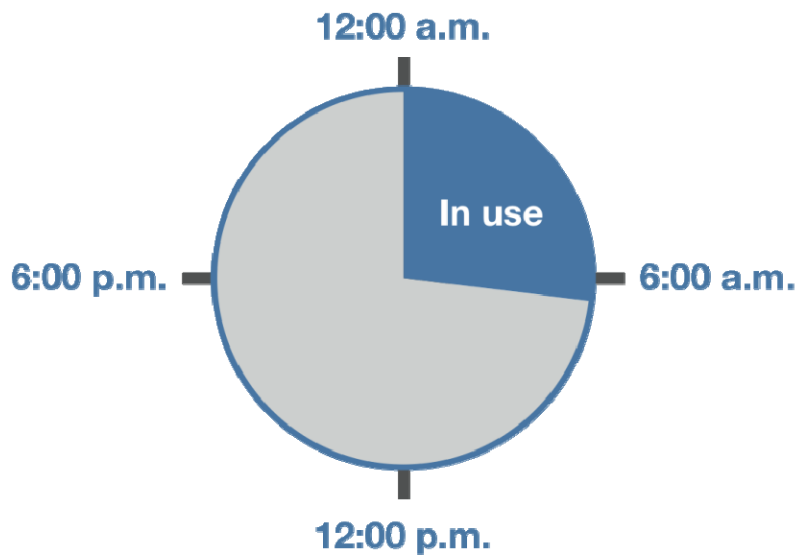
- ★ Currently Under Study
- ★ Announced Sept. 15th

Potential Network

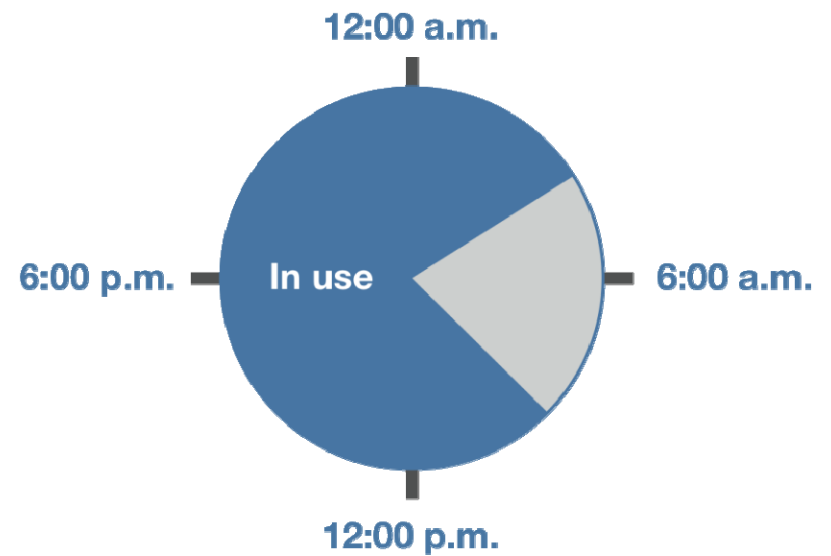




Mail Processing Facility



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
- Up to \$3 Billion Cost Reduction

CHANGES

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

OUR APPROACH

- Ongoing communication and collaborative solutions

559,000

Total Career Employees

151,000

Total Mail Processing Employees

35,000

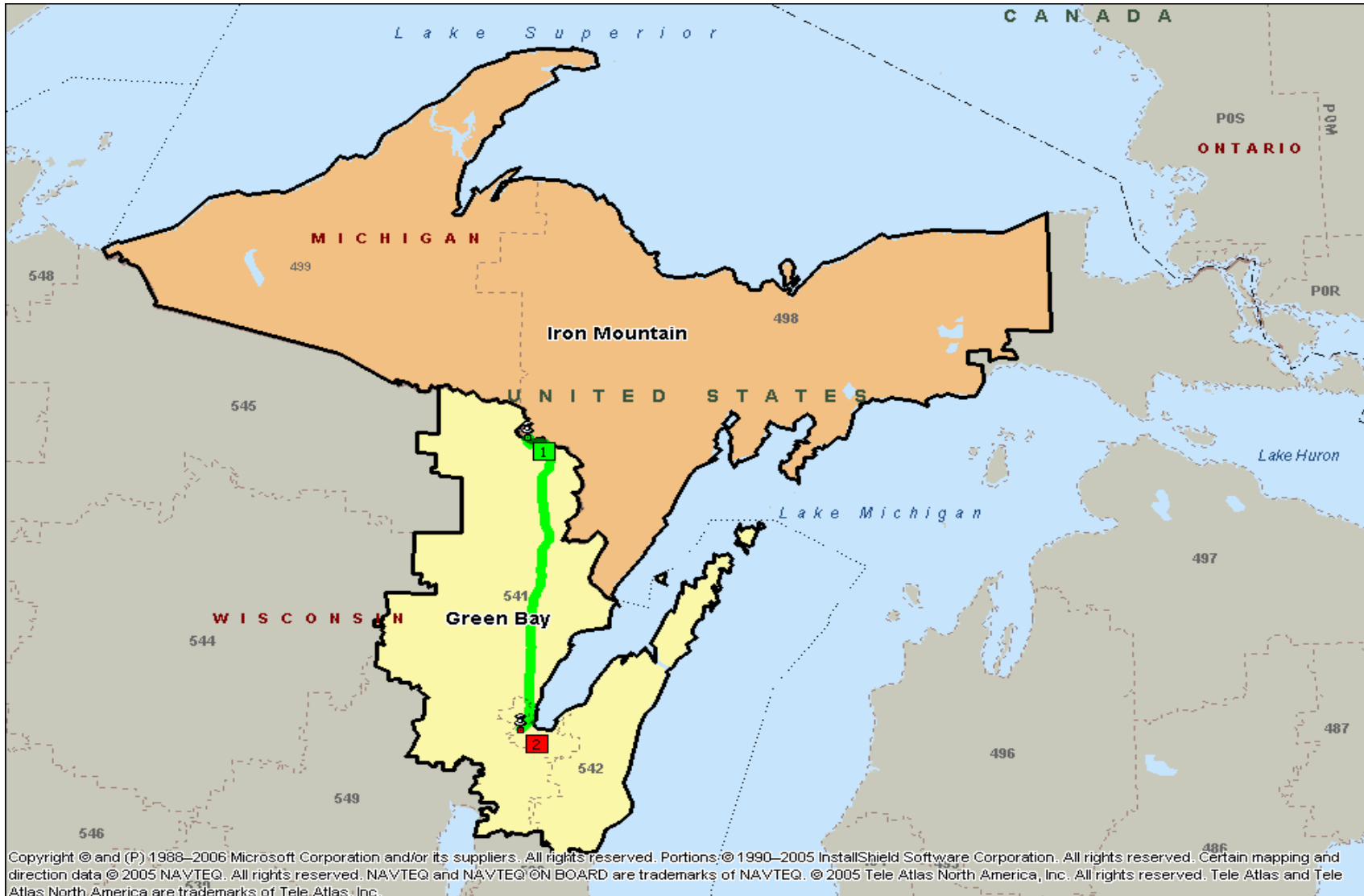
Fewer Mail Processing Positions



Topic

**Area Mail
Processing
Study**

DISTANCE BETWEEN FACILITIES – 98.4 miles



BUSINESS CASE*

| | |
|-------------------------------------|-------------|
| Mail Processing Workhour Savings: | \$2,922,511 |
| Mail Processing Management Savings: | \$298,783 |
| Maintenance Savings: | \$1,851,897 |
| Transportation Savings: | \$201,854 |
| <hr/> | |
| Proposed Annual Savings: | \$5,275,046 |

*Preliminary results subject to change

EMPLOYEE IMPACTS*

Net craft impacts: -50

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



Iron Mountain to Green Bay AMP

Mail additional comments to:

Manager, Consumer & Industry Contact
Greater Michigan District
PO Box 999631
Grand Rapids, MI 49599-9631

Must be postmarked by November 10, 2011