

Dodge City CSMPC, KS Area Mail Processing (AMP) Public Meeting

November 29, 2011



Two Topics

Radical Network Realignment Area Mail Processing Study



Mail Volume Shifting to a Less Profitable Mix



Volume in Billions of Pieces



NETWORK CAPACITY





NETWORK CAPACITY





Potential Decrease in Processing Facilities Through 2013



Mail Processing Facility Footprint





Mail Processing Facility Footprint

Studying 252 Facilities for Potential Consolidation



Mail Processing Facility Footprint





Mail Processing Redesign







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

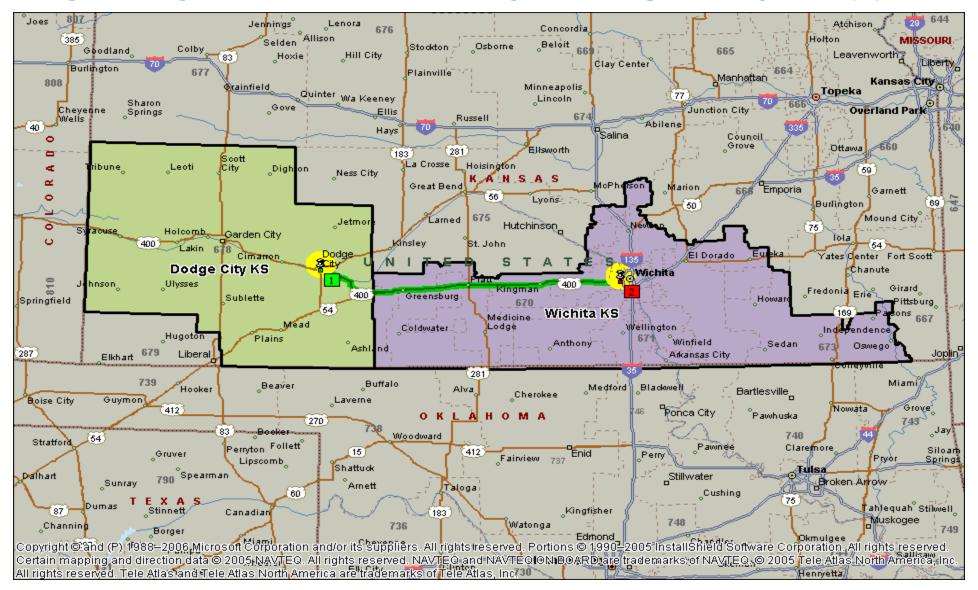


Topic

Area Mail Processing Study



DISTANCE BETWEEN FACILITIES – 149 miles



Dodge City to Wichita AMP

BUSINESS CASE*

Mail Processing Workhour Savings: \$550,113

Mail Processing Management Savings: \$129,128

Maintenance Savings: \$155,100

Transportation Savings: \$391,317

Proposed Annual Savings: \$1,225,659





EMPLOYEE IMPACTS*

Net craft impacts: -7

Net management impacts: 2

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

Central Plains District

PO Box 199504

Omaha NE 68119-9504

Must be postmarked by December 14, 2011