

**London, KY
Area Mail Processing (AMP)
Public Meeting**

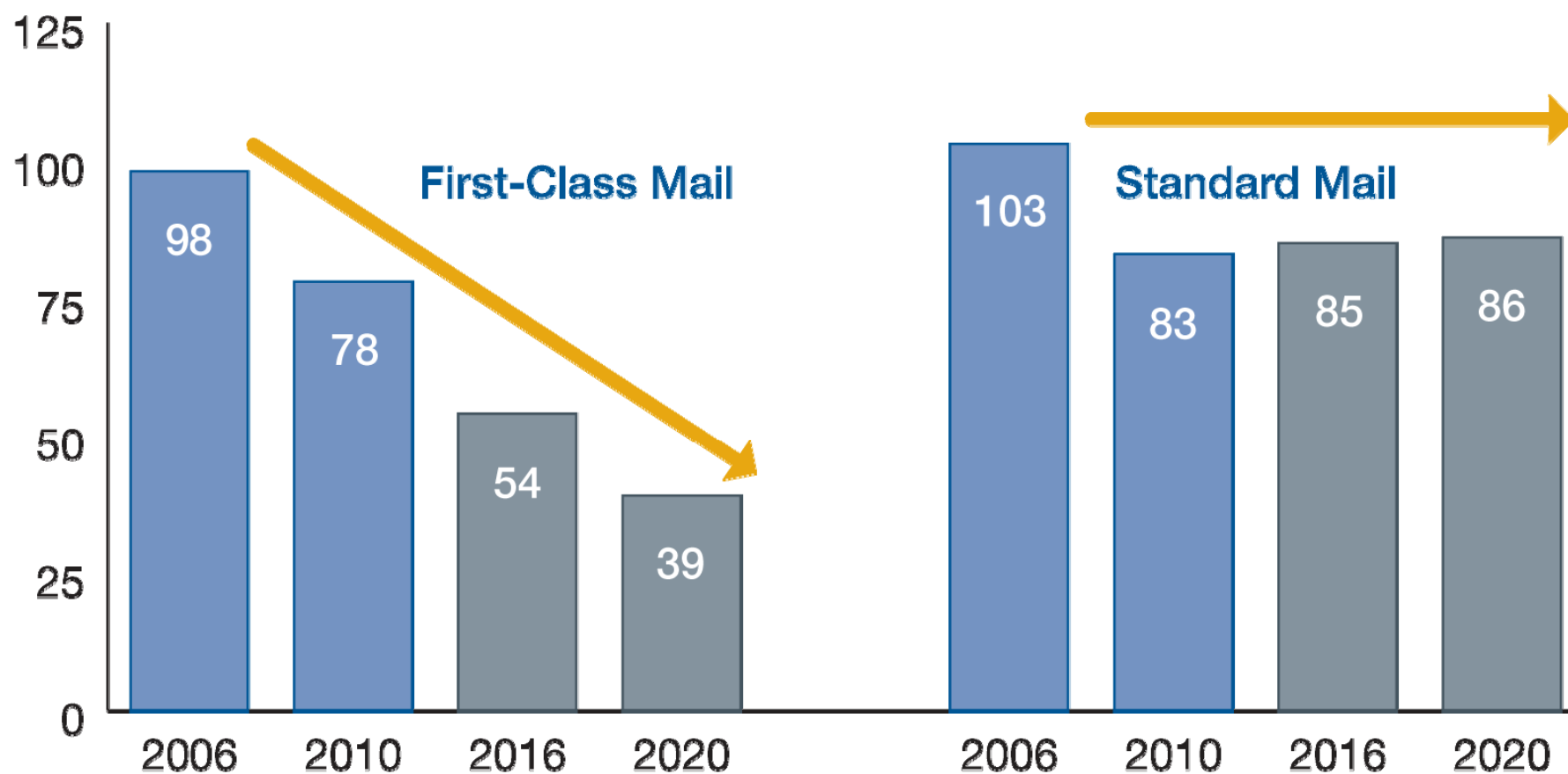
December 5, 2011



Two Topics

**Radical
Network
Realignment**

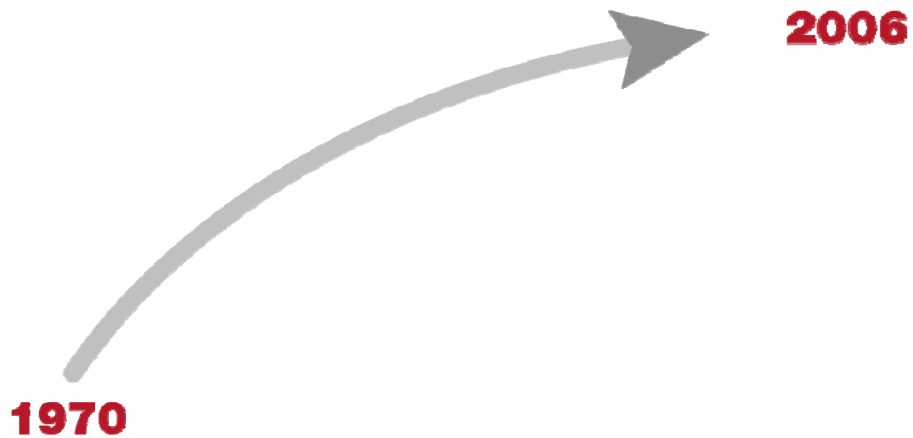
**Area Mail
Processing
Study**



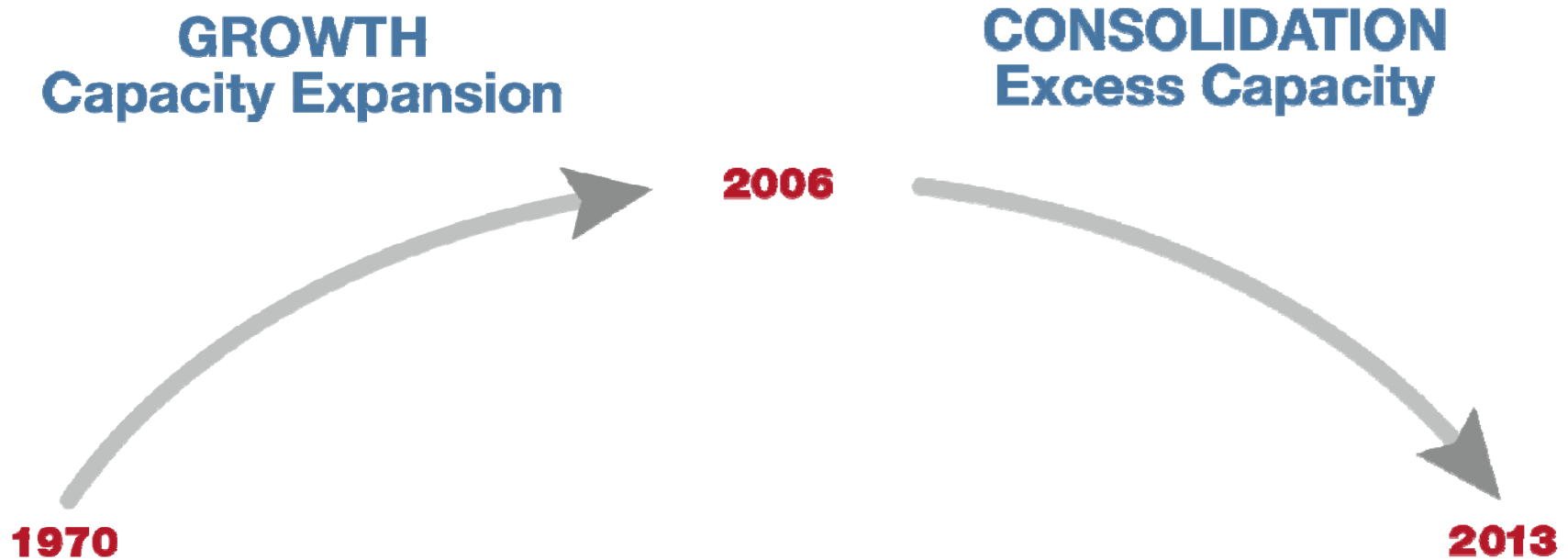
Volume in Billions of Pieces

NETWORK CAPACITY

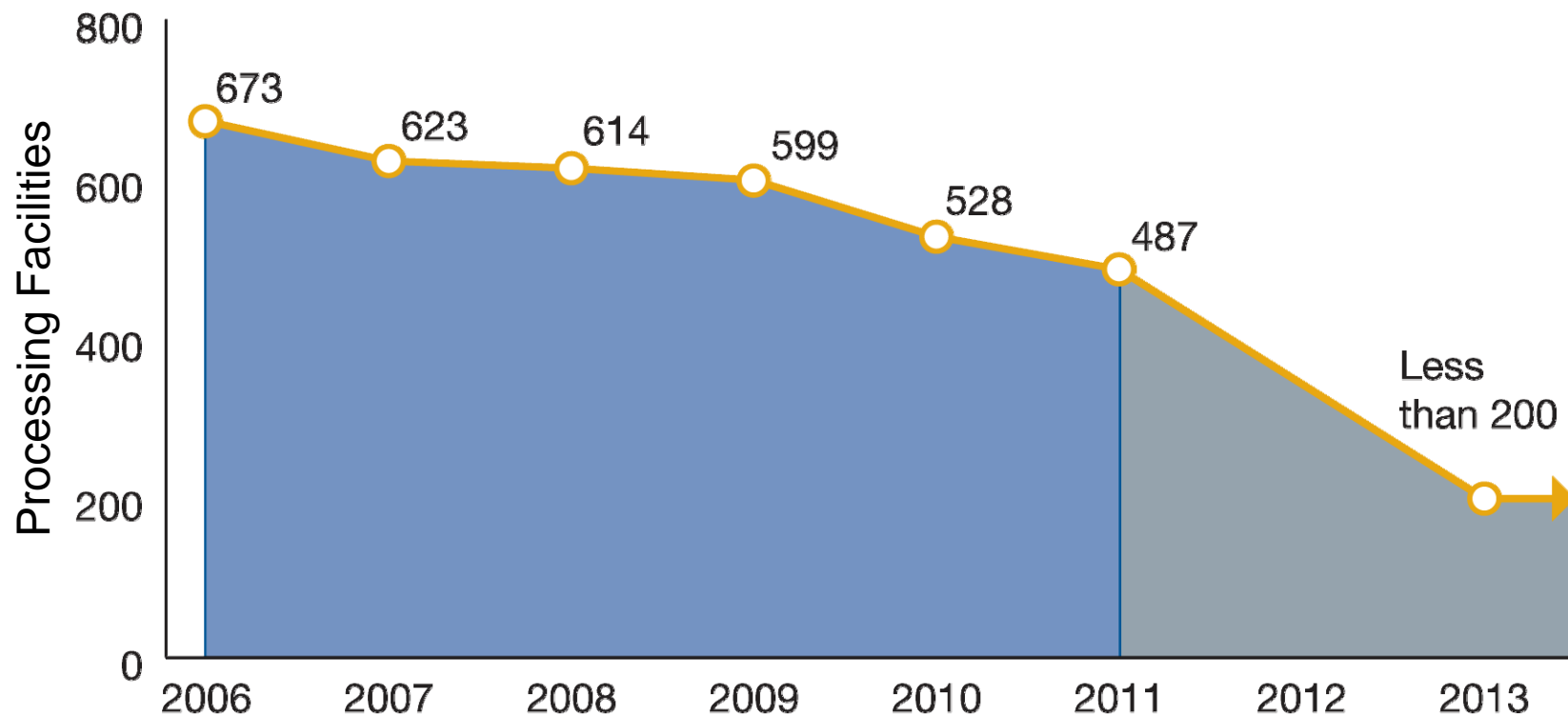
GROWTH
Capacity Expansion



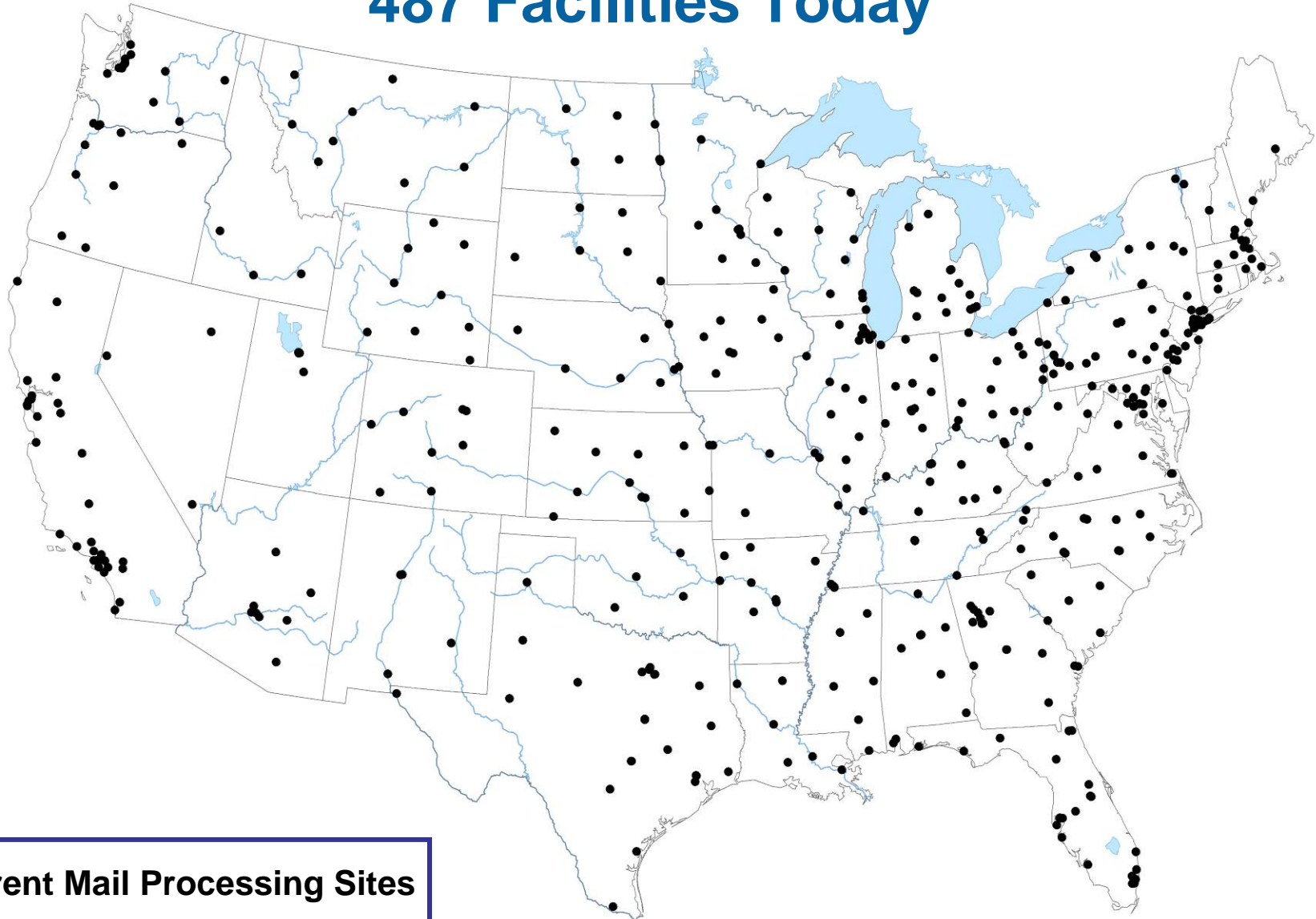
NETWORK CAPACITY



Potential Decrease in Processing Facilities Through 2013

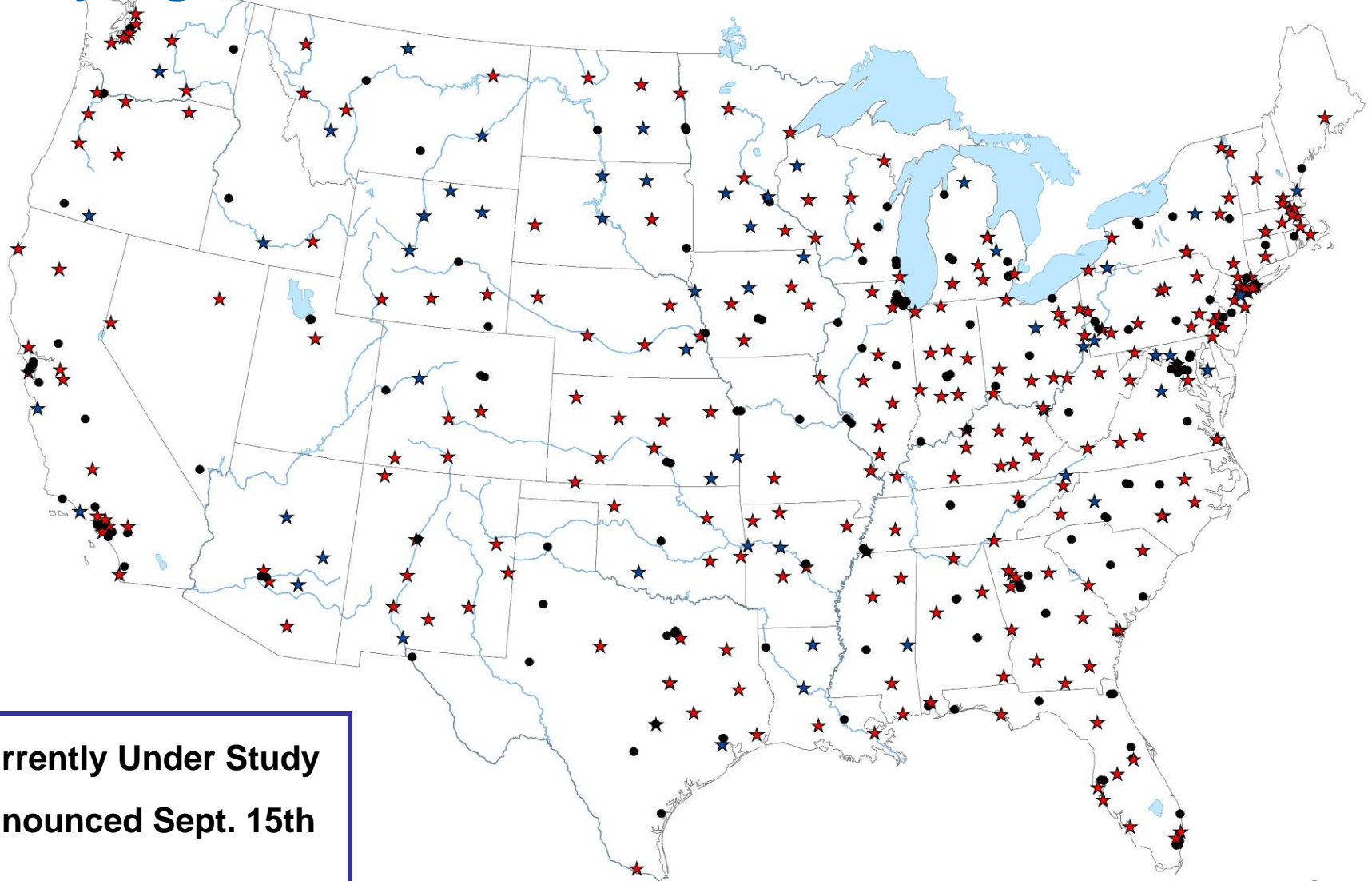


487 Facilities Today

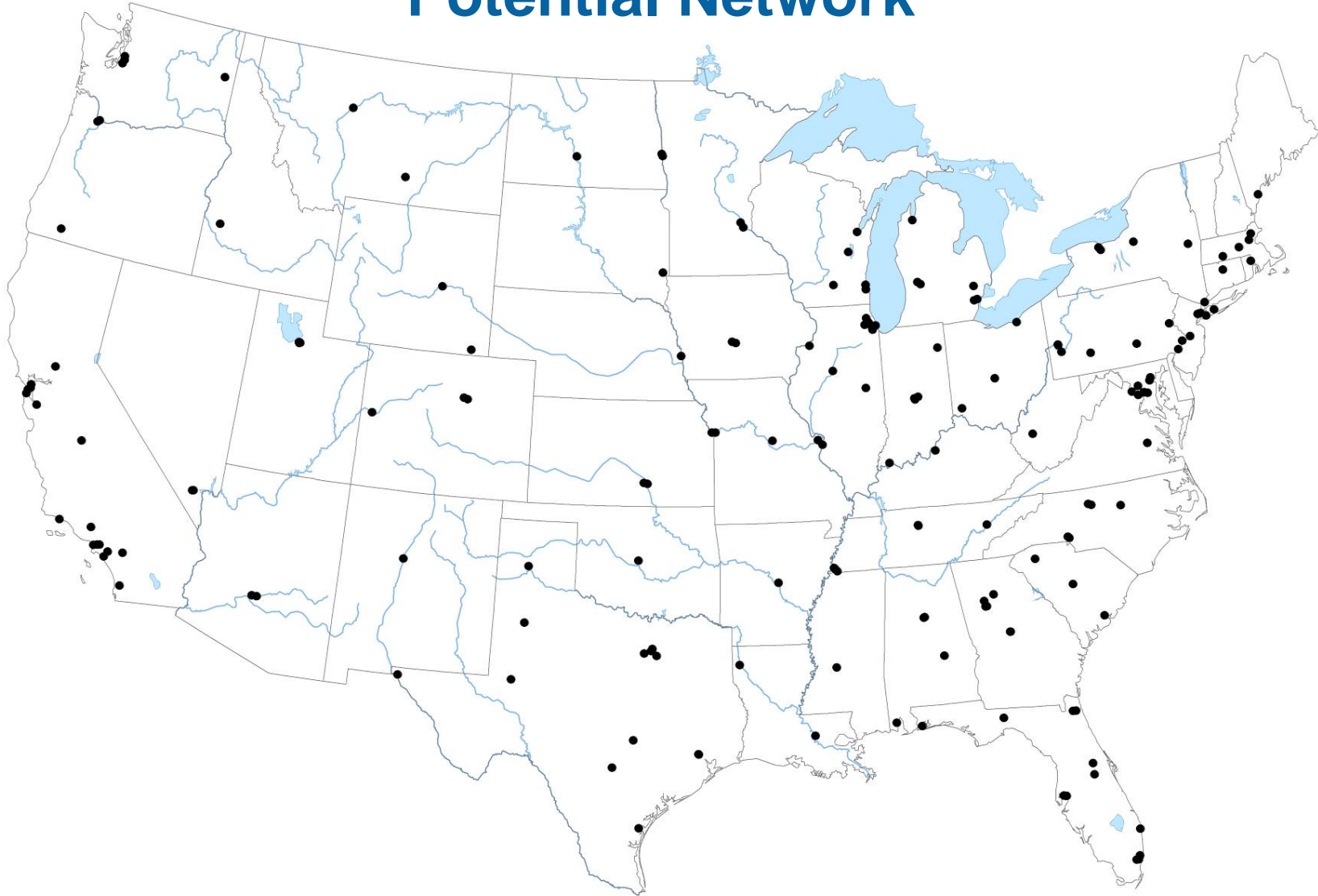


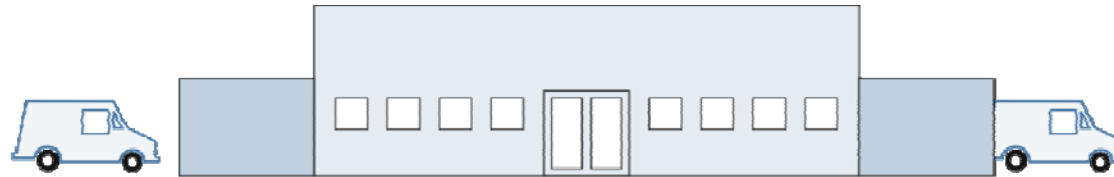
● Current Mail Processing Sites

Studying 252 Facilities for Potential Consolidation

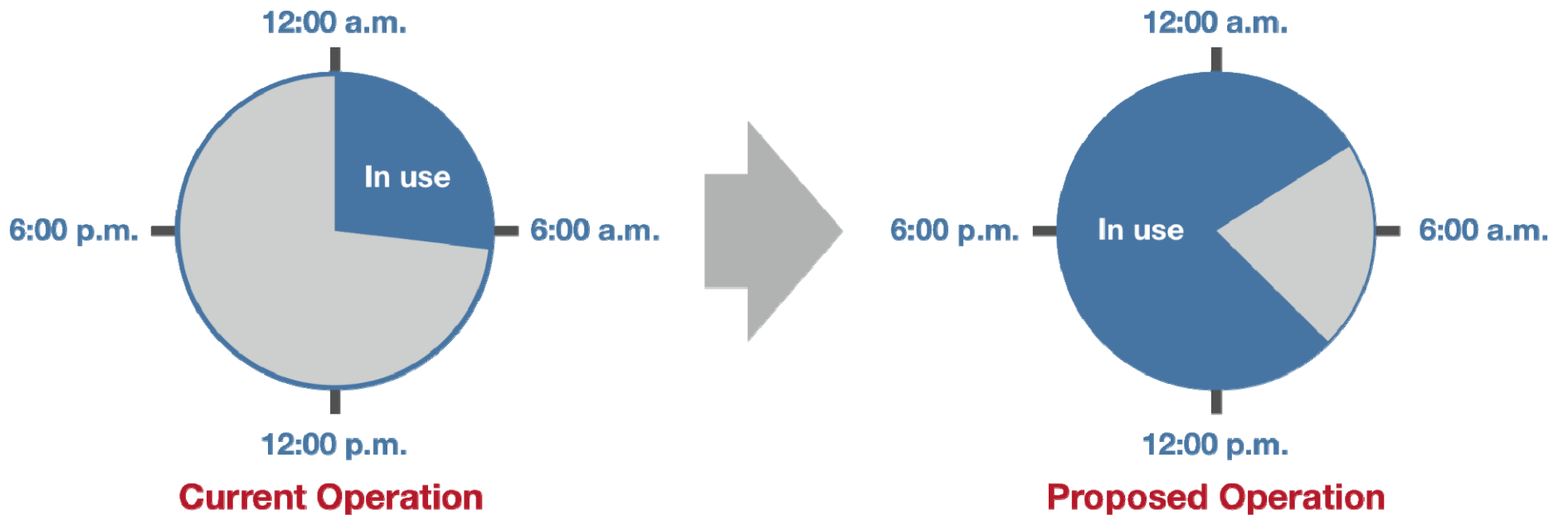


Potential Network





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

559,000

Total Career Employees

151,000

Total Mail Processing Employees

35,000

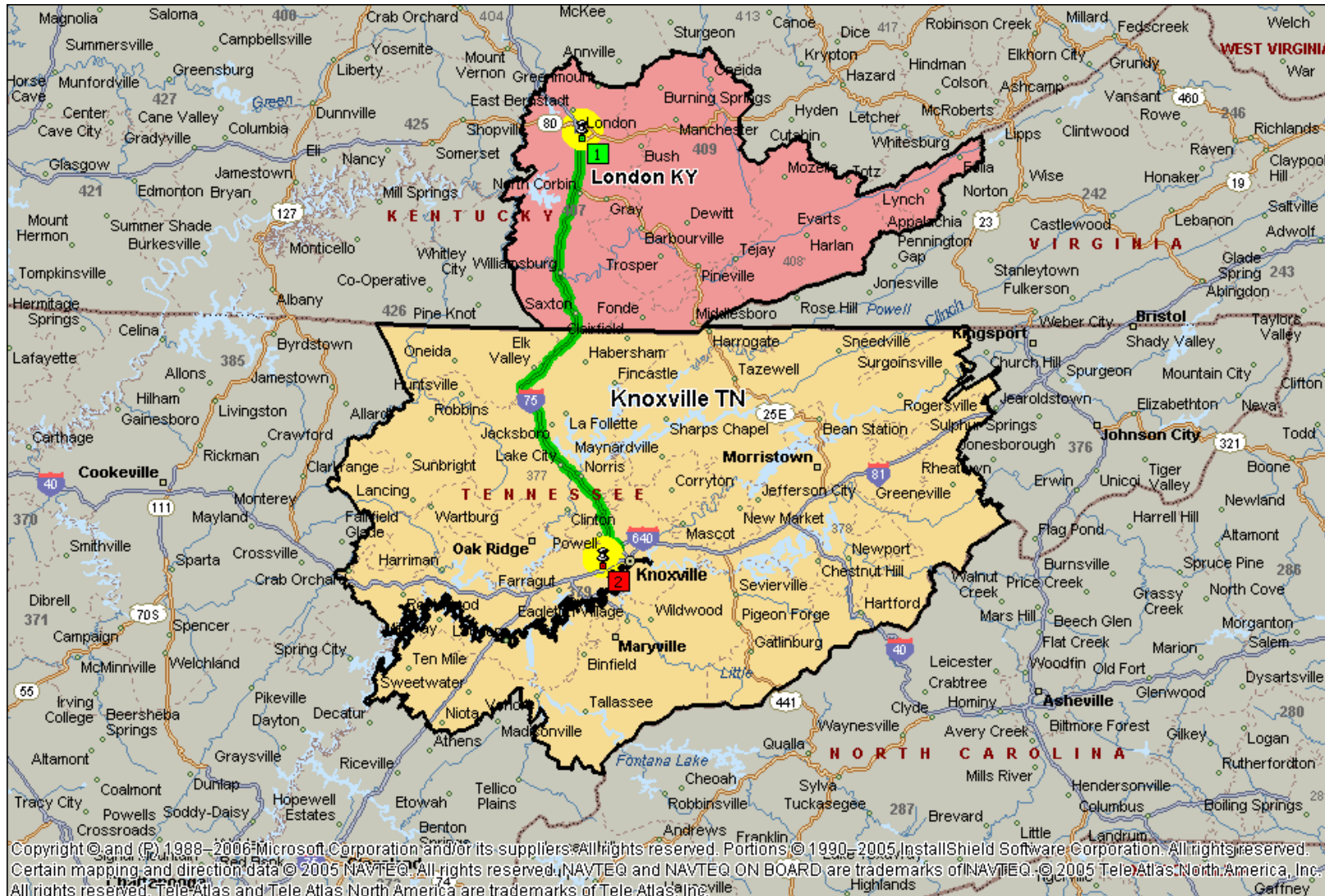
Fewer Mail Processing Positions



Topic

**Area Mail
Processing
Study**

DISTANCE BETWEEN FACILITIES – 98 miles



BUSINESS CASE*

Mail Processing Workhour Savings:	\$656,112
Mail Processing Management Savings:	\$113,301
Maintenance Savings:	\$612,735
Transportation Costs:	\$770,842
<hr/>	
Proposed Annual Savings:	\$2,152,990

***Preliminary results subject to change**

EMPLOYEE IMPACTS*

Net craft impacts: -26

Net management impacts: -3

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
Kentuckiana District
P.O. Box 31631
Louisville, KY 40231-9631

Must be postmarked by December 20, 2011