

Pasco, WA P&DF 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
- 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

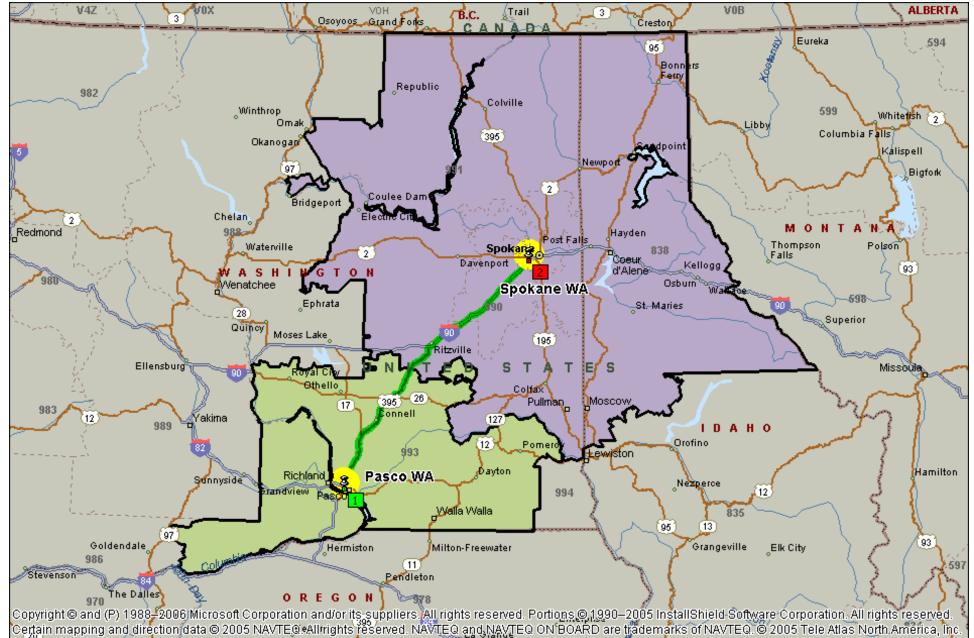
35,000

Fewer Mail Processing Positions



Topic

Area Mail Processing Study



All rights reserved. Tele Atlas and Tele Atlas North America are trademarks of Tele Atlas, Inc.



BUSINESS CASE*

Mail Processing Workhour Savings: \$1,812,889

Mail Processing Management Savings: \$268,051

Maintenance Savings: \$831,702

Transportation Costs: \$2,098,331

Proposed Annual Savings: \$814,311

^{*}Preliminary results subject to change



EMPLOYEE IMPACTS*

Net employee 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

Seattle District

PO Box 90306

Seattle, WA 98109-9631

Must be postmarked by December 14, 2011