

Stockton, CA P&DC Area Mail Processing (AMP) Public Meeting

December 1, 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



DISTANCE BETWEEN FACILITIES – 59.1 miles





BUSINESS CASE*

| Annual Mail Processing Employee Savings Annual Maintenance Savings Annual Transportation Savings | \$5,052,809 \$501,542 (\$4,306,659) |
|--|---|
|--|---|

Proposed Annual Savings: \$1,405,401

^{*}Preliminary results subject to change



EMPLOYEE IMPACTS*

Net craft impacts: -186

Net management impacts: -1

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 and Industry Contact Sacramento District 3775 Industrial Blvd West Sacramento, CA 95799-0070

Must be postmarked by December 17, 2011