

**Butte, MT
Area Mail Processing (AMP)
Public Meeting**

January 3, 2012



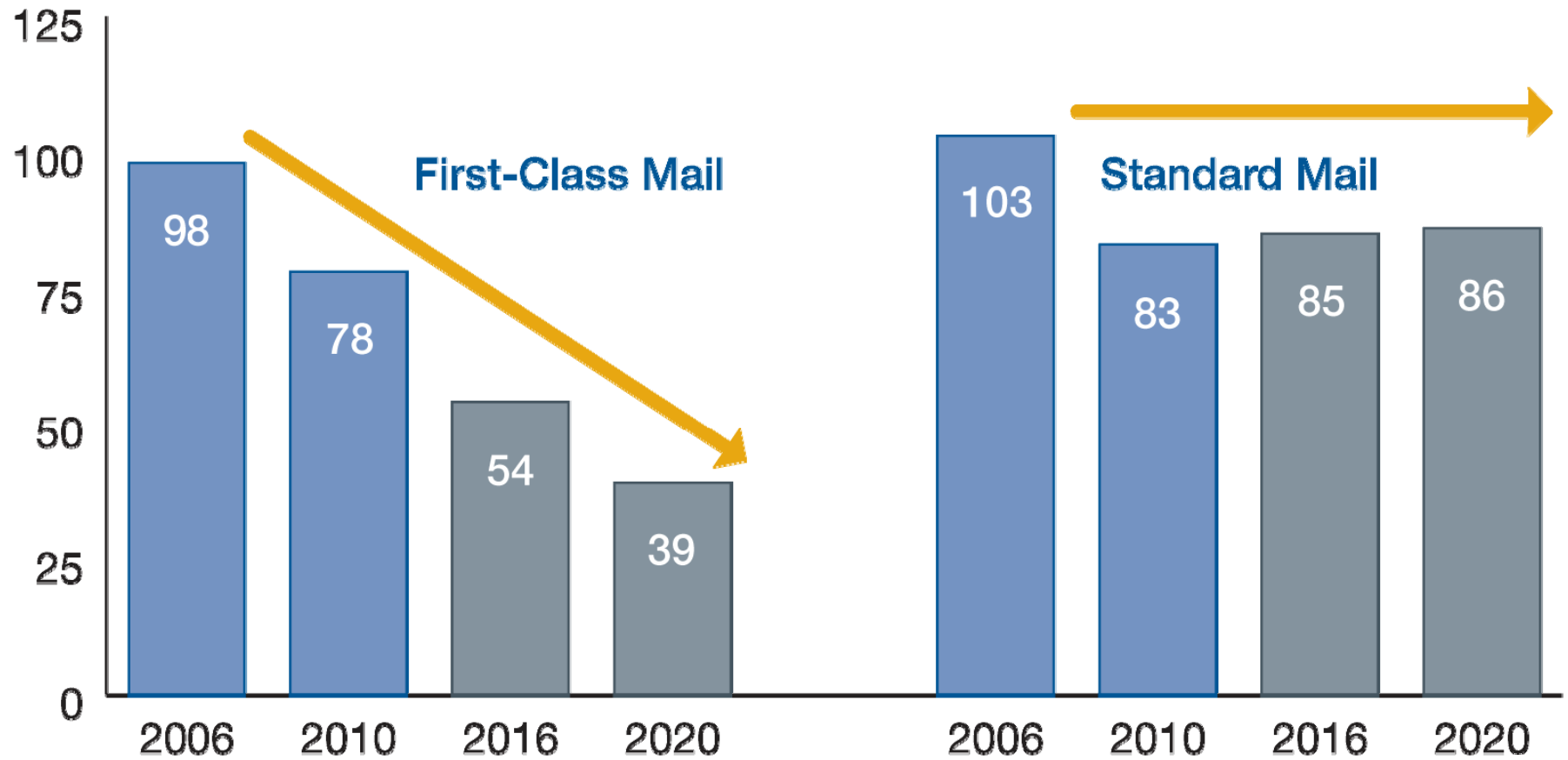
Two Topics

**Radical
Network
Realignment**

**Area Mail
Processing
Study**



Mail Volume Shifting to a Less Profitable Mix



Volume in Billions of Pieces

NETWORK CAPACITY

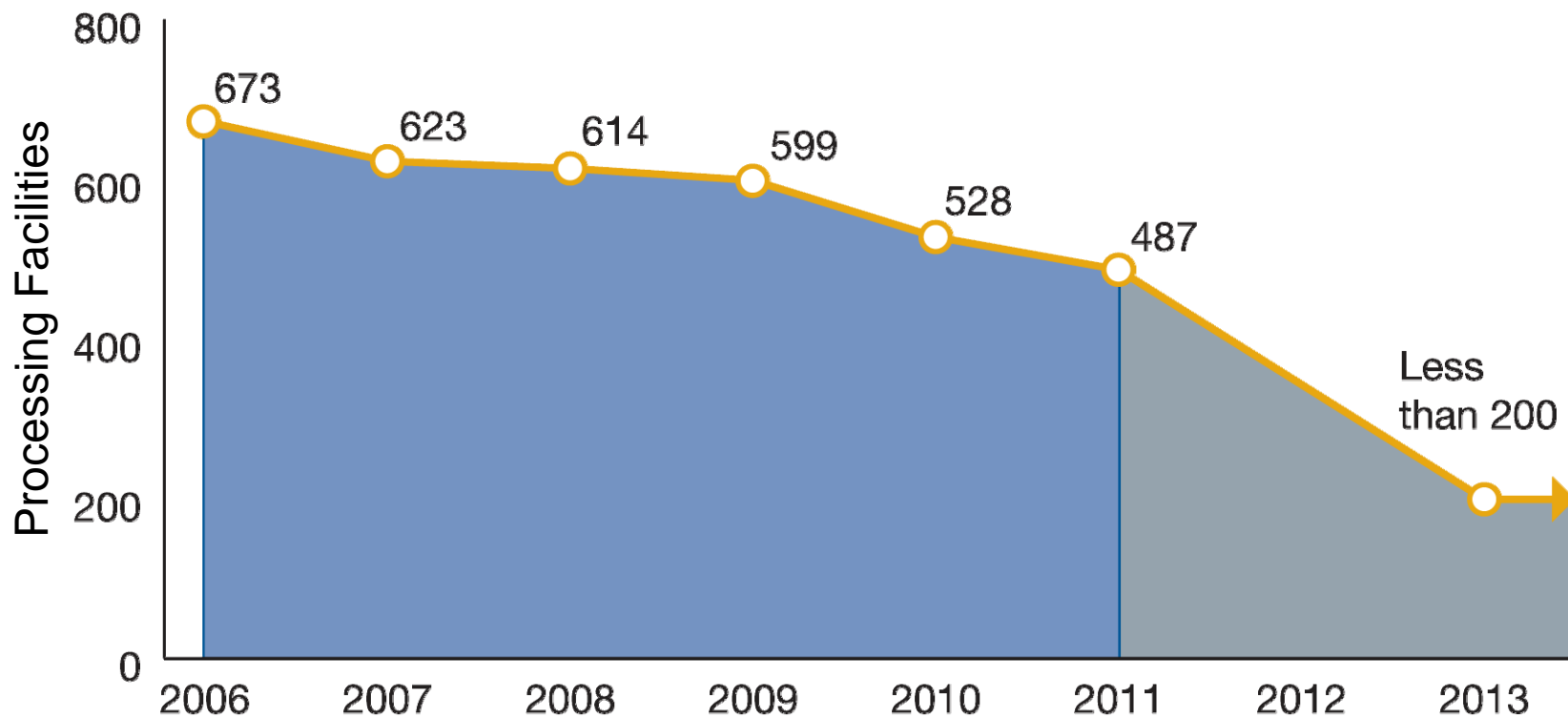
GROWTH
Capacity Expansion



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

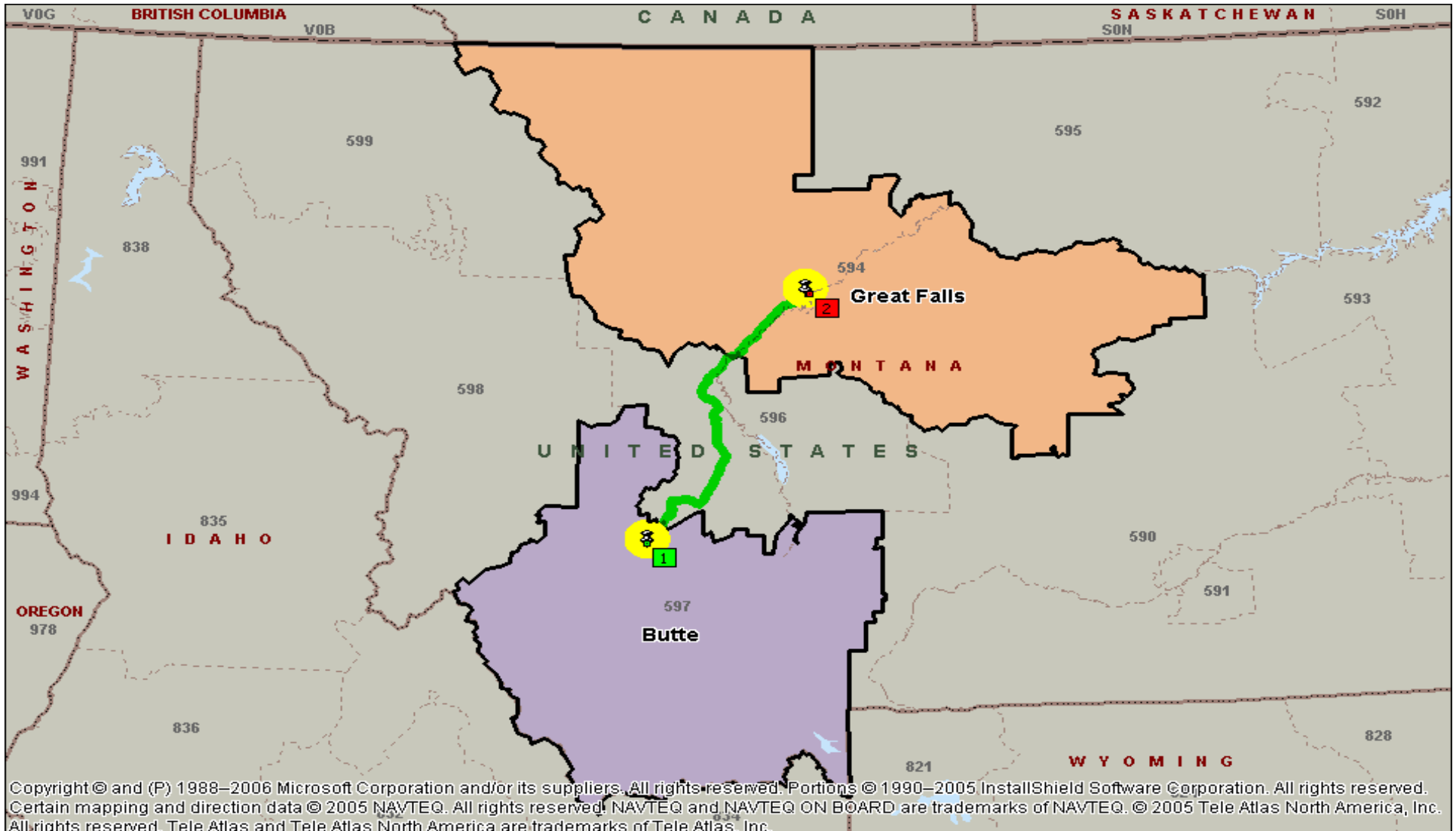
Fewer Mail Processing Positions



Topic

**Area Mail
Processing
Study**

DISTANCE BETWEEN FACILITIES – 155 miles



BUSINESS CASE*

Annual Mail Processing Saving:	\$334,994
Annual Management Saving:	\$148,336
Annual Maintenance Saving:	\$248,516
Annual Transportation Cost:	(\$172,649)
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Proposed Annual Savings:	\$559,197

*Preliminary results subject to change

EMPLOYEE IMPACTS*

Net employee impacts: **-9**

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
Dakotas District
PO Box 7570
Sioux Falls SD 57117-7570**

*Must be postmarked by **January 18, 2012***