

Postal Customer Council Presentation



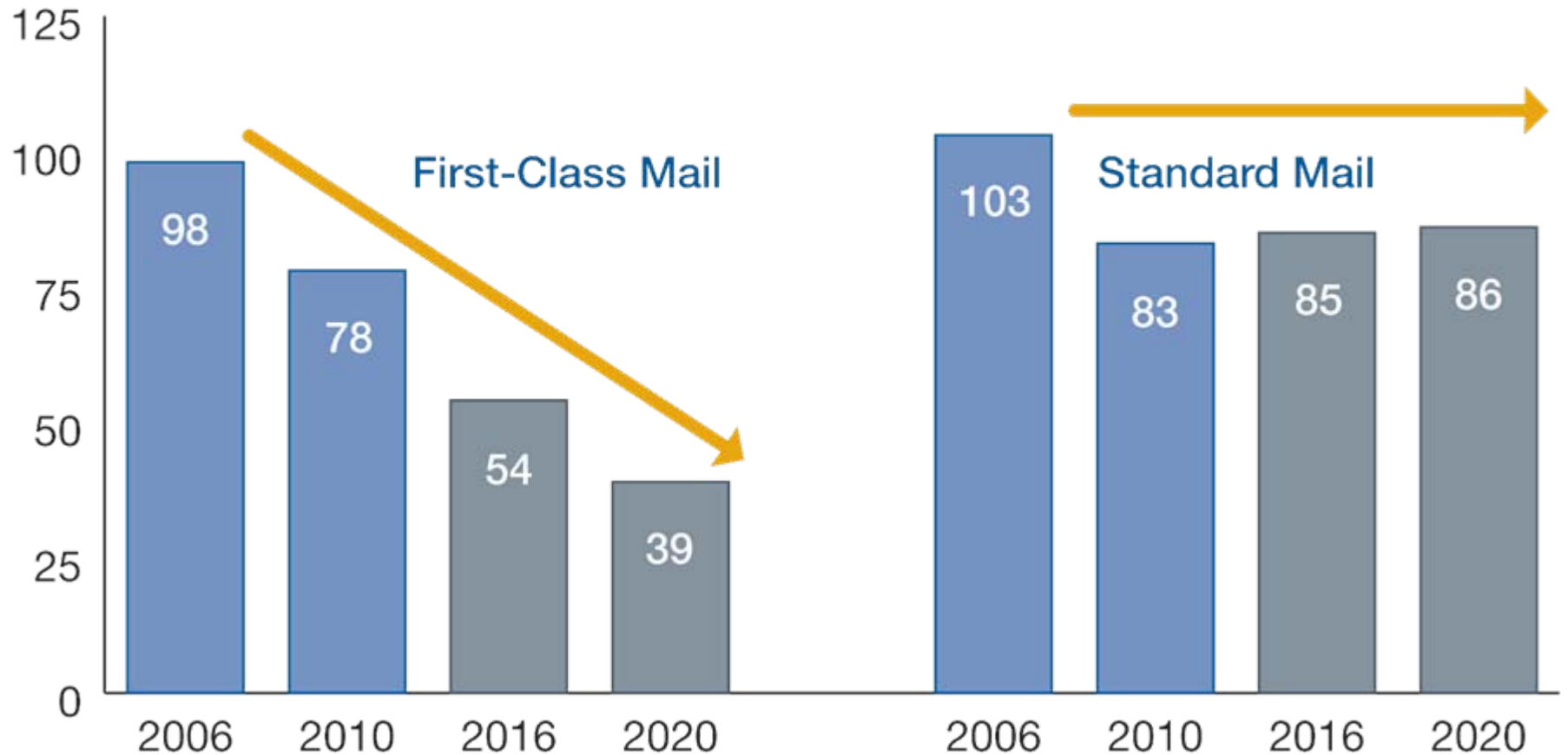
- National PCC Day
- September 21, 2011



Two Topics

**Radical
Network
Realignment**

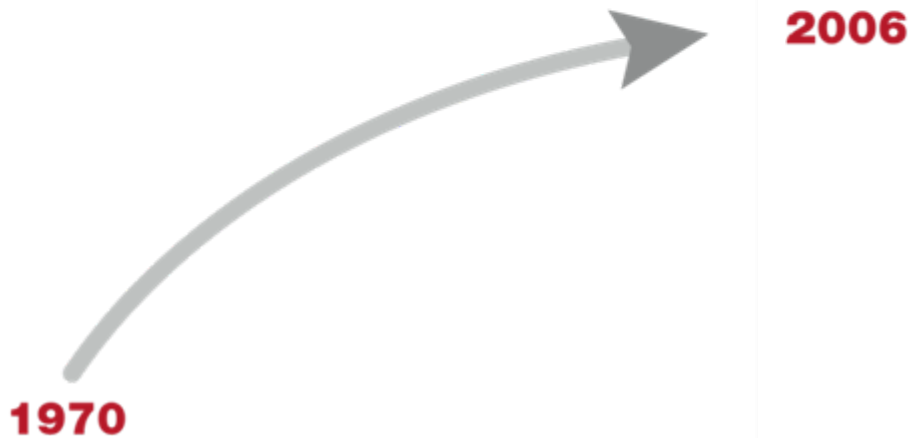
**Mail Processing
Facility Study
List**



Volume in Billions of Pieces

NETWORK CAPACITY

GROWTH
Capacity Expansion



NETWORK CAPACITY

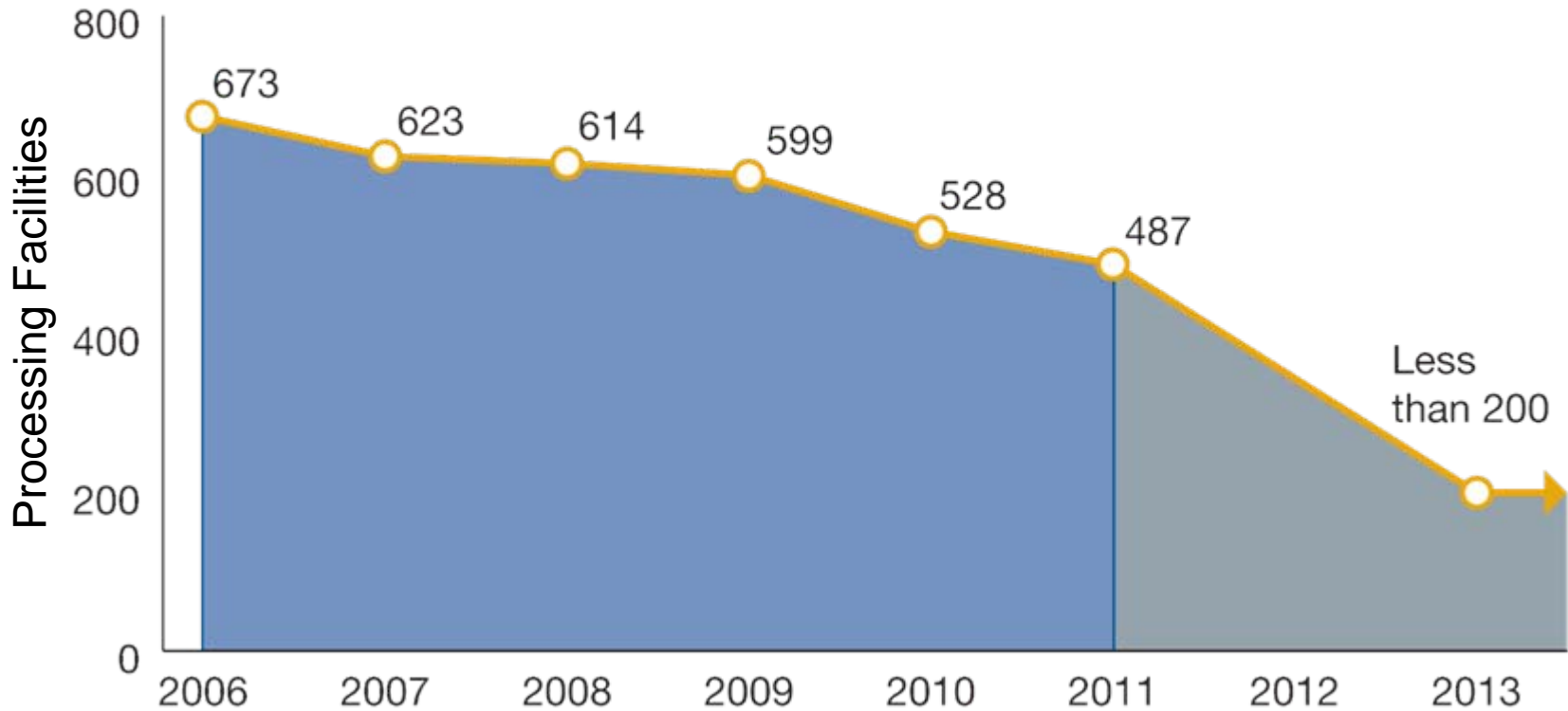
GROWTH
Capacity Expansion



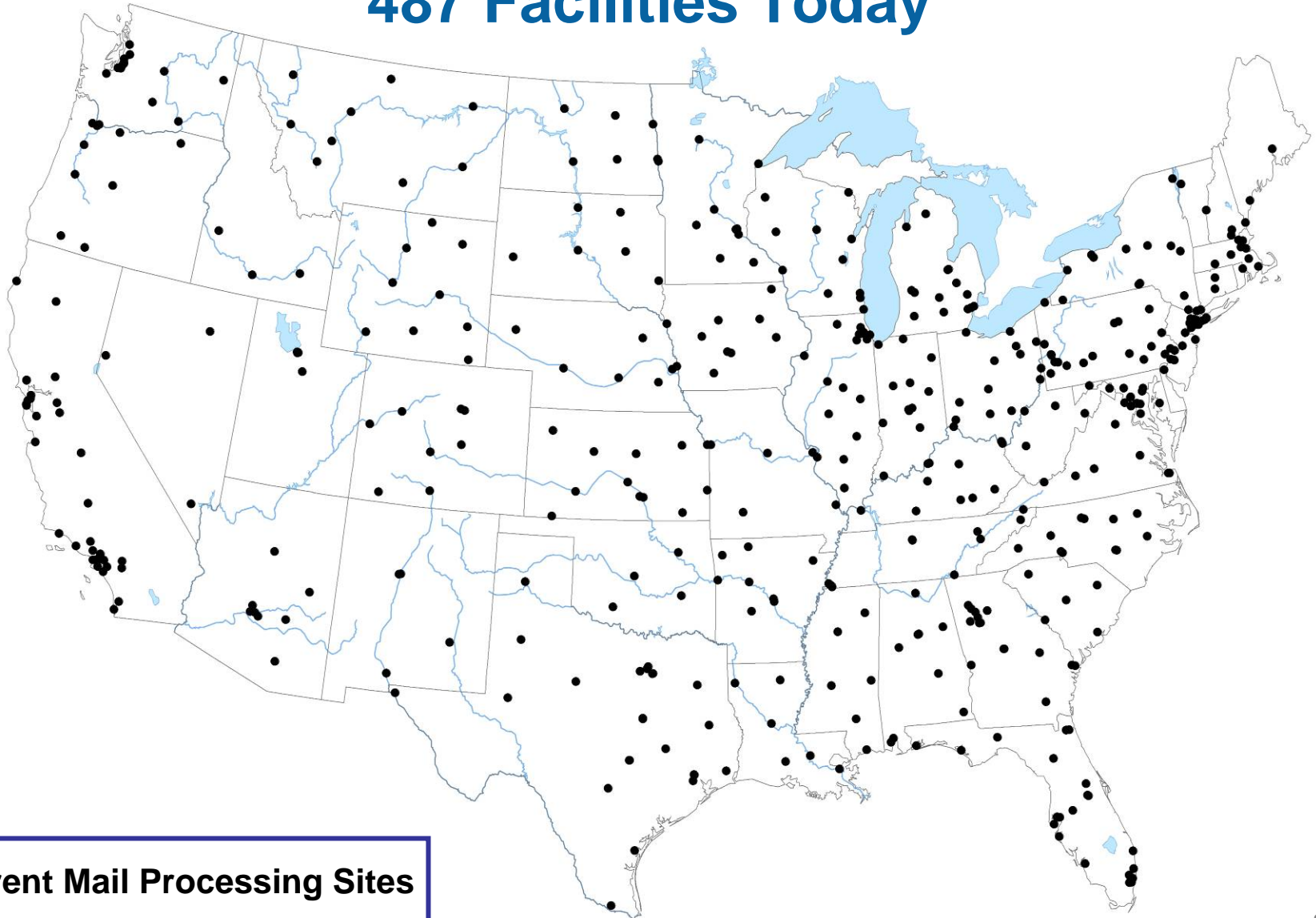
CONSOLIDATION
Excess Capacity



Potential Decrease in Processing Facilities Through 2013

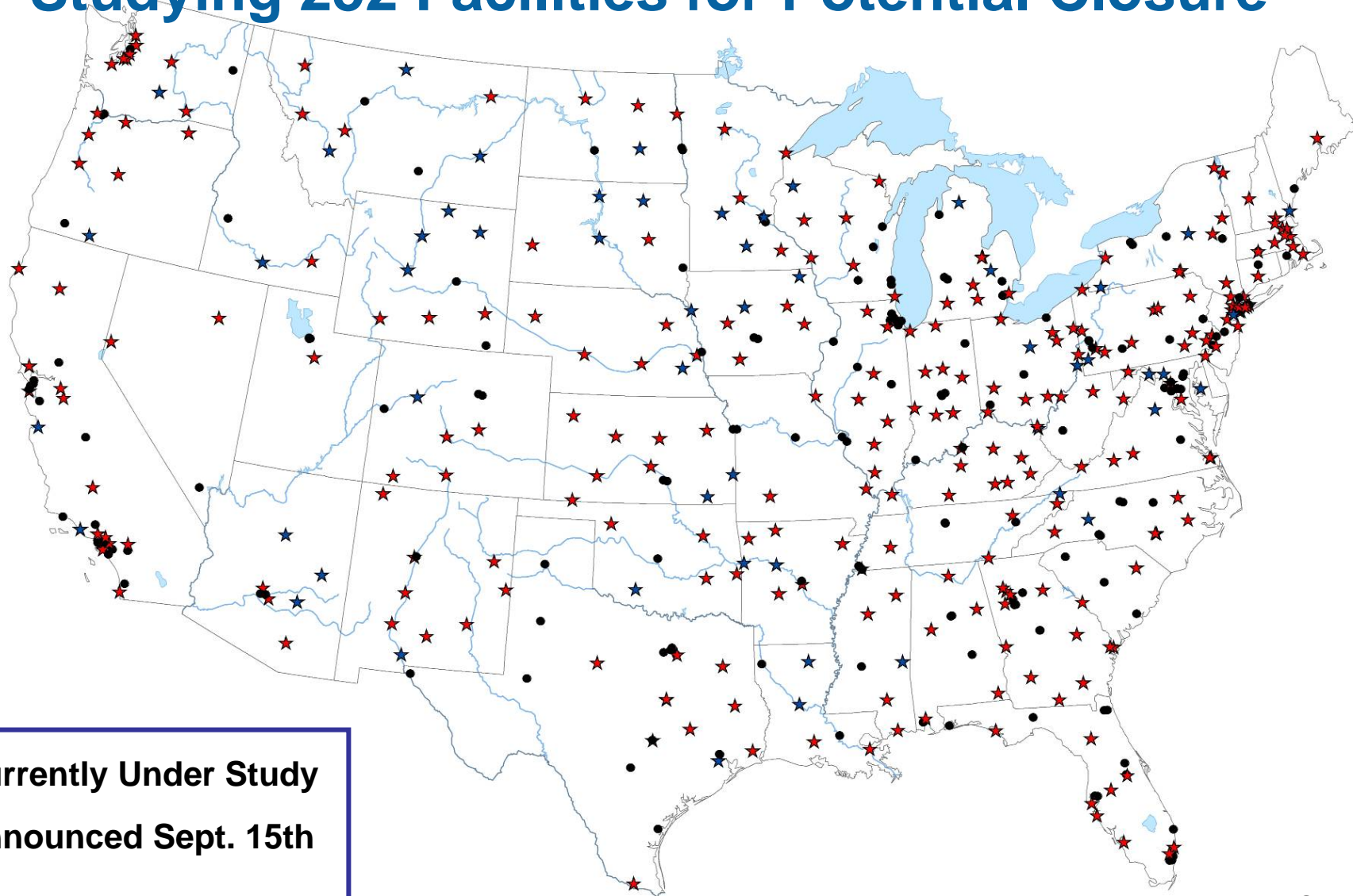


487 Facilities Today



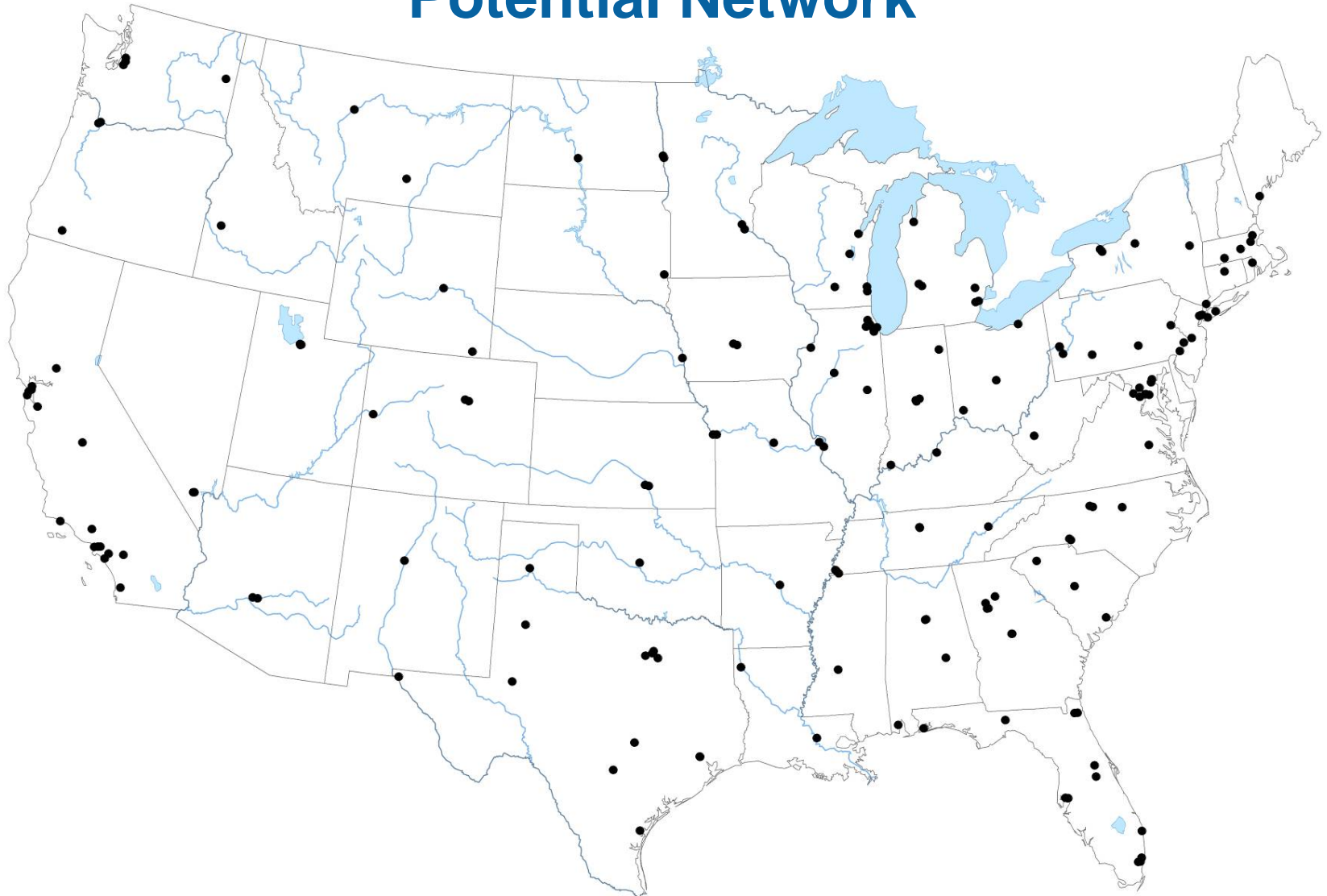
● Current Mail Processing Sites

Studying 252 Facilities for Potential Closure



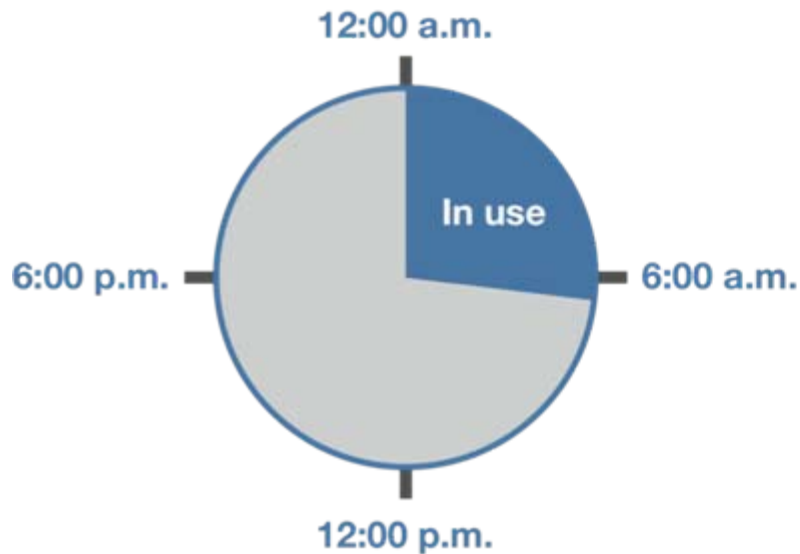
★ Currently Under Study
★ Announced Sept. 15th

Potential Network

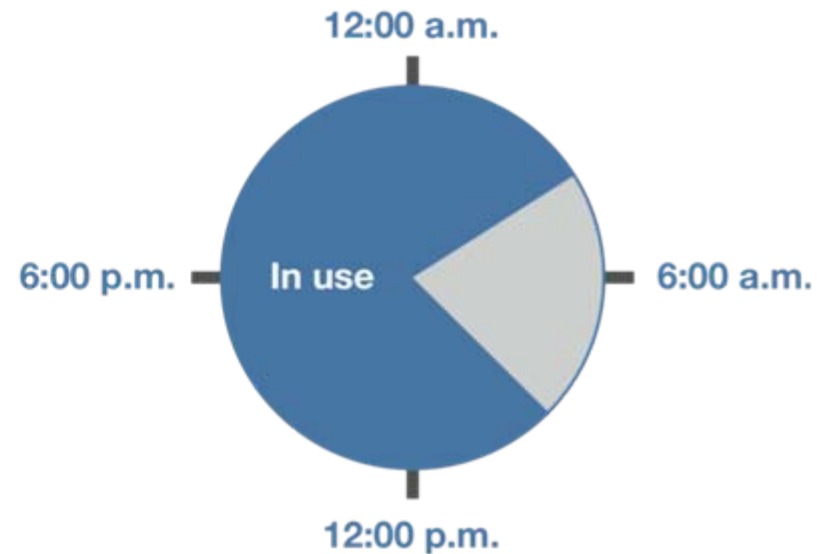




Mail Processing Facility

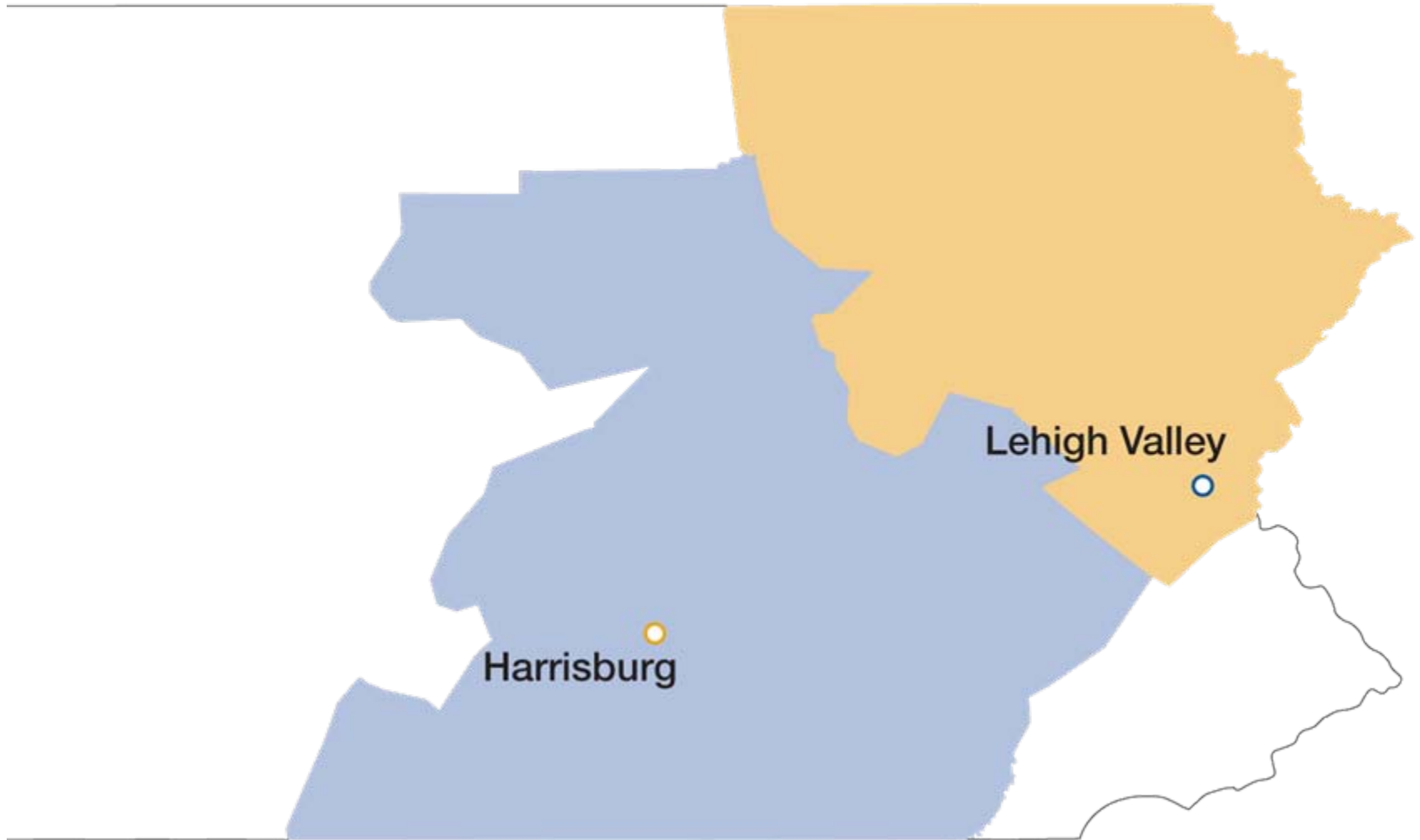


Current Operation



Proposed Operation





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

- Industry-specific strategies
- Ongoing communication and collaborative mitigation of issues

559,000

Total Career Employees

151,000

Total Mail Processing Employees

35,000

Fewer Mail Processing Positions



Fewer facilities, greater utilization and efficiency



Earlier mail availability driving more efficient local delivery



More retail partners and kiosks, more online, fewer brick and mortar Post Offices



**\$6.5 Billion
Cost Reduction
by 2015**

THE RESULT

**Highly efficient, low cost,
national delivery platform**

2011

- **September 15**
 - Announce AMP Studies and Advance Notice of Proposed Rulemaking
- **Mid-September**
 - Notice published in Federal Register
- **Mid-October**
 - Comments due on FR notice
- **November**
 - AMP Public Input Meetings held in Nov-Dec
 - Working toward a Nov PRC filing (need to obtain approval to file from the Postal Service Governors)



US POSTAL SERVICE **PCC** ★ **50**

POSTAL CUSTOMER COUNCIL ■ 1961 - 2011 ■ 50TH ANNIVERSARY