

**Madison WI P&DF
Area Mail Processing (AMP)
Public Meeting**

May 29, 2013

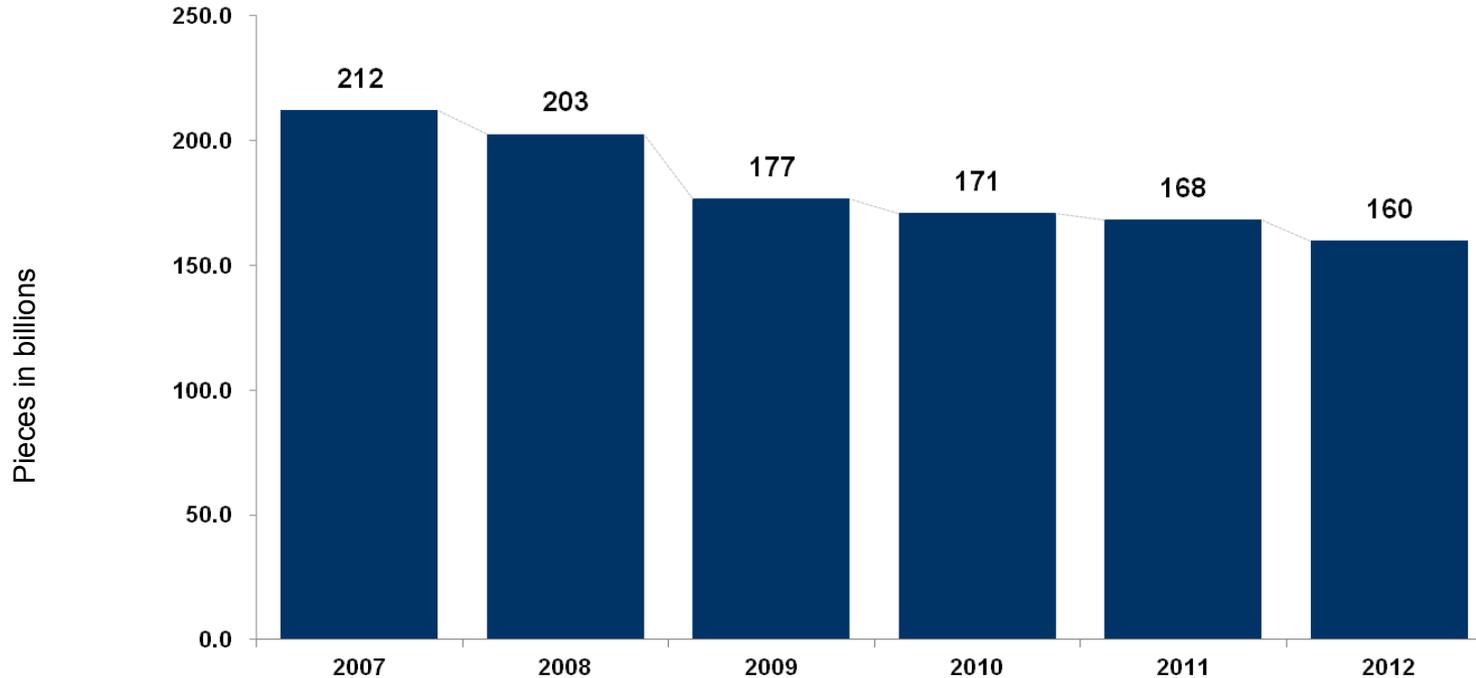
Two Topics

**Network
Realignment
Initiative**

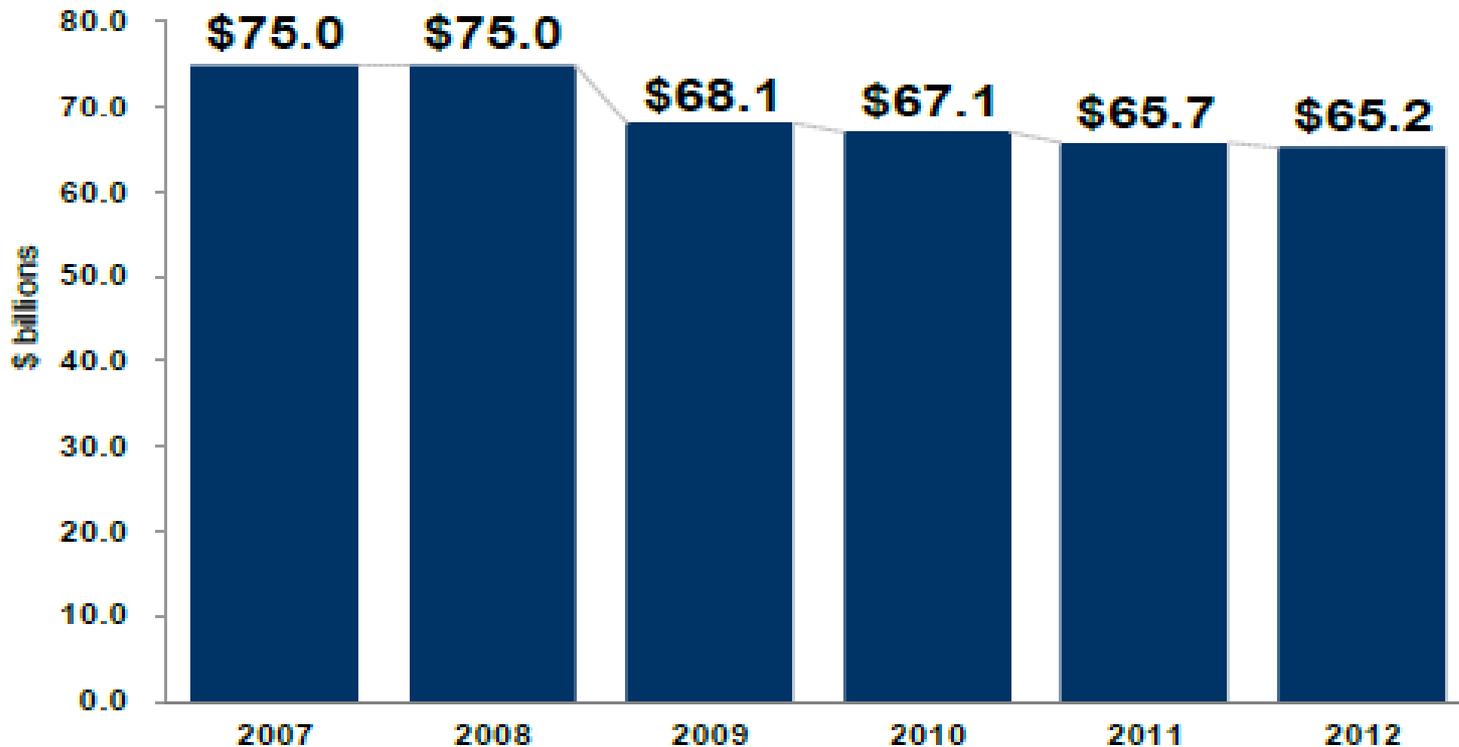
**Area Mail
Processing
Study**

- **What is Network Realignment?**
- **Why is it necessary?**

Mail Volume Decline: 25% from 2007 to 2012

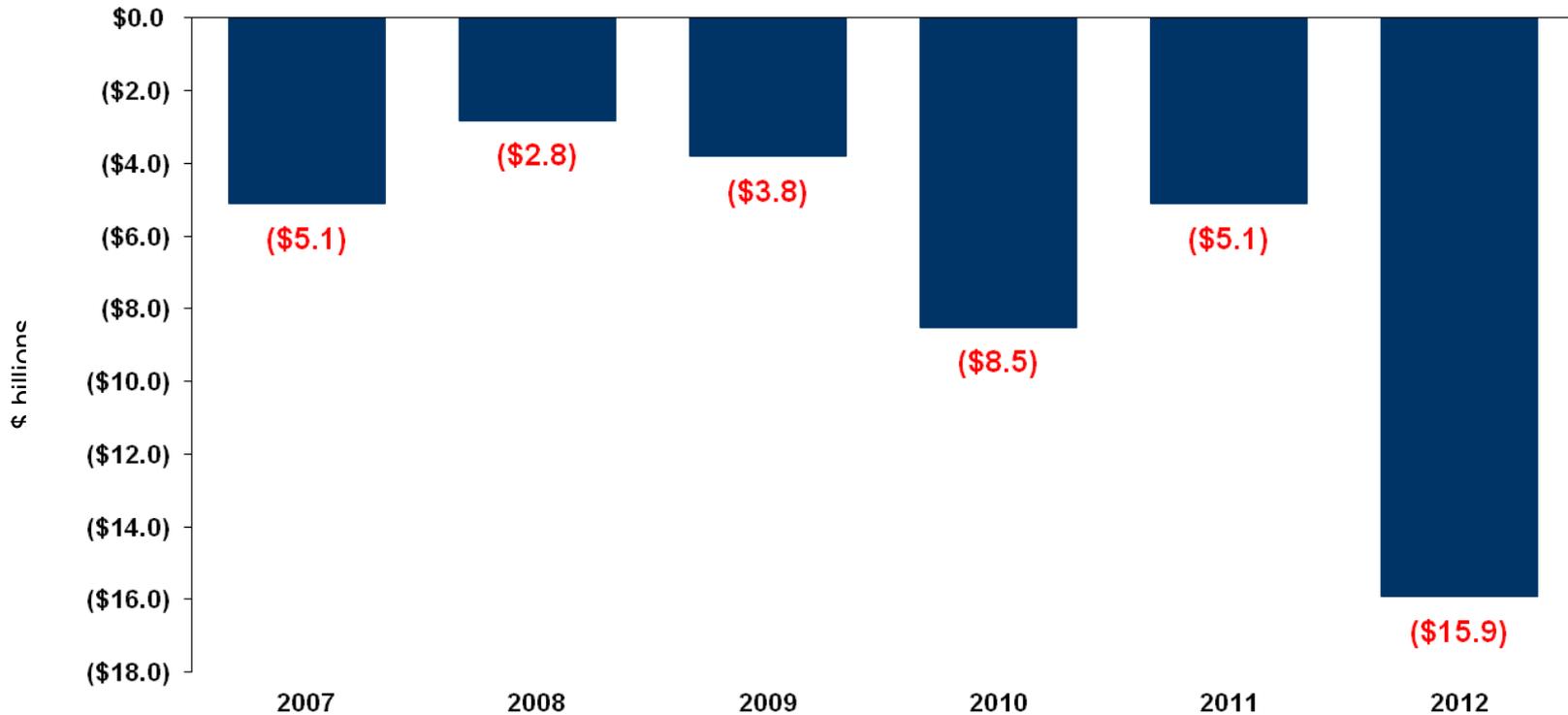


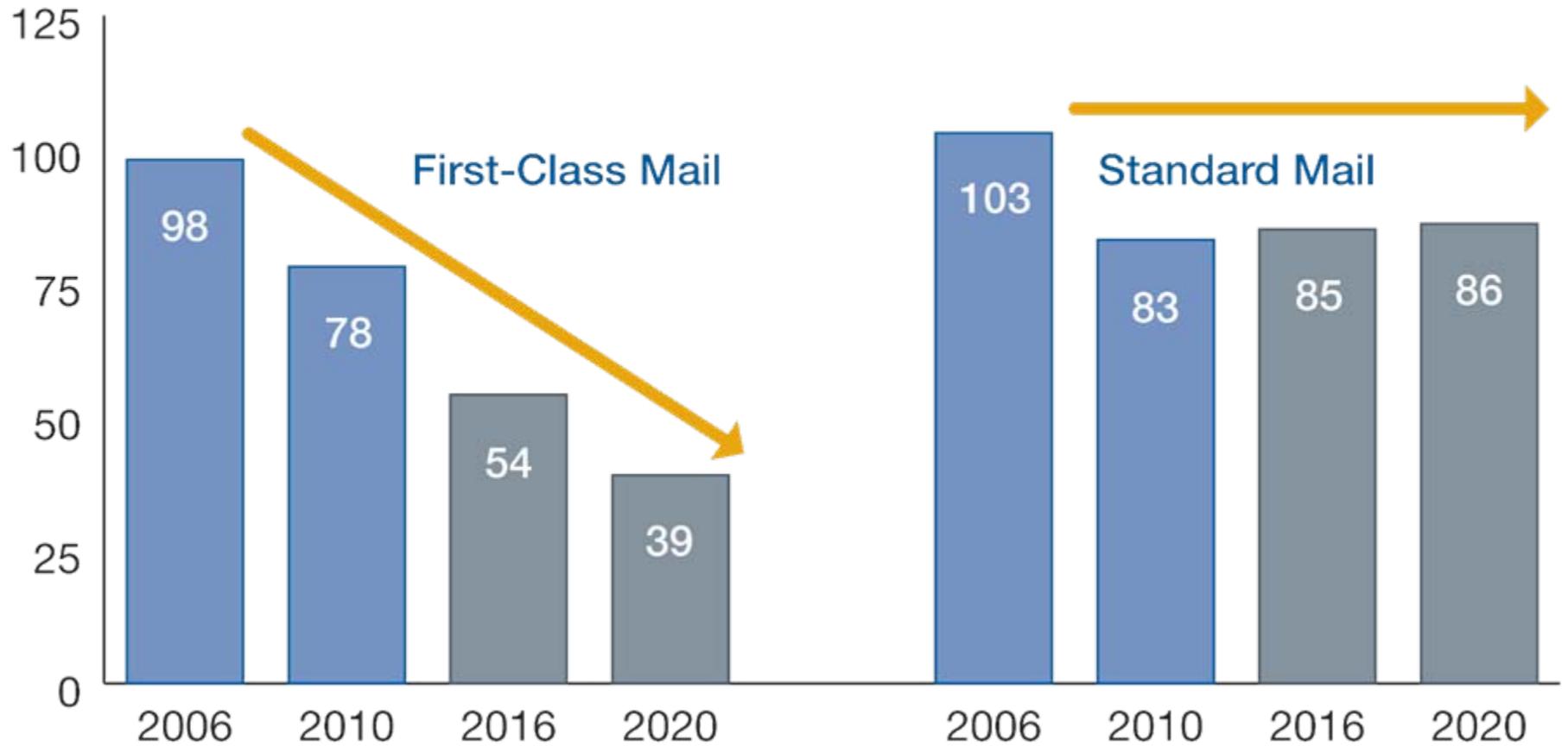
Revenue Down \$10B (13%) from '07 to '12



Dire financial position requires urgent action to ensure continued mail delivery and to restore long-term self sufficiency.

\$41B of Net Losses

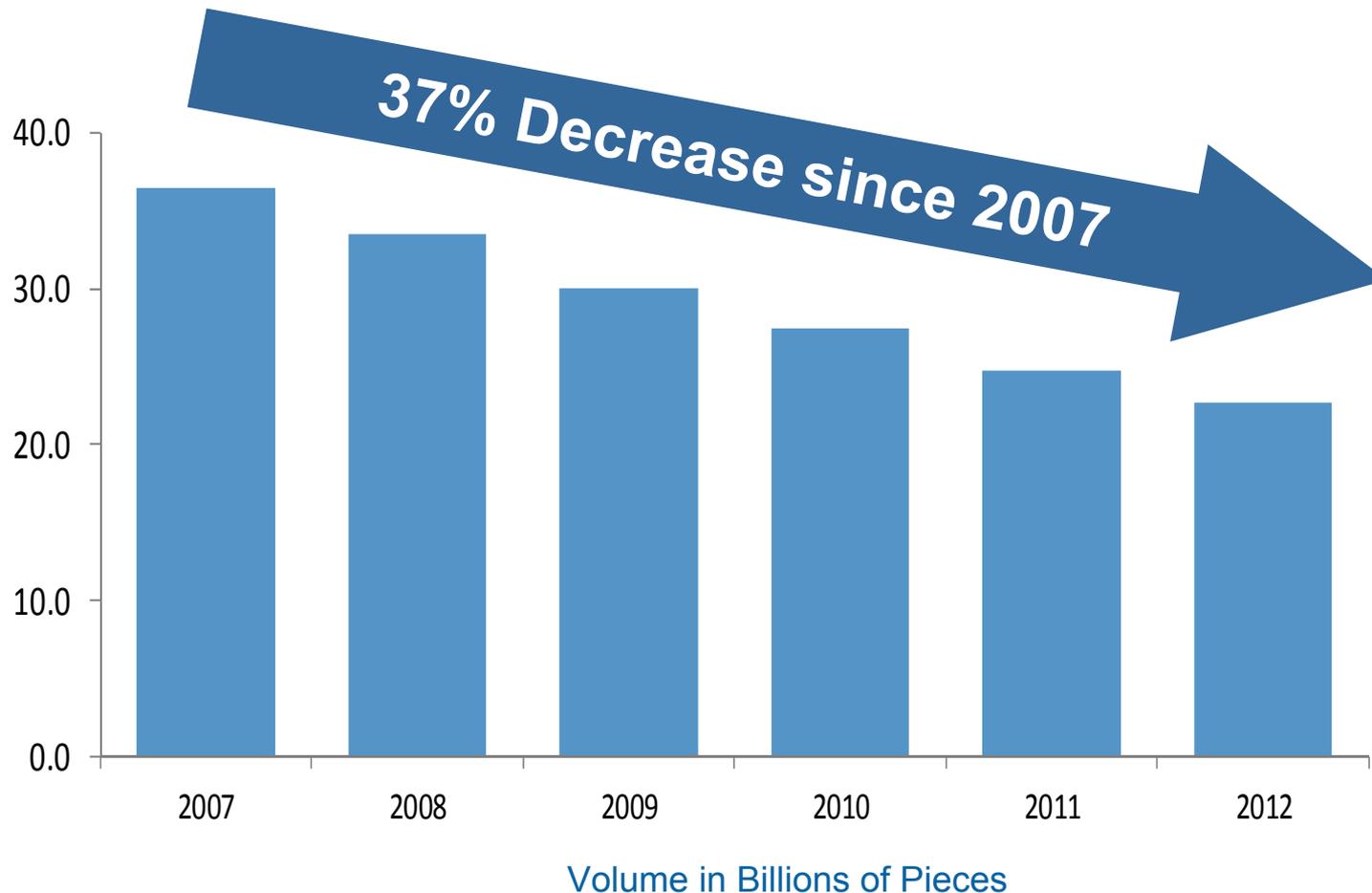




Volume in Billions of Pieces

Adapting to America's Changing Mailing Habits

First-Class, Single-Piece Volumes



NETWORK CAPACITY

GROWTH
Capacity Expansion



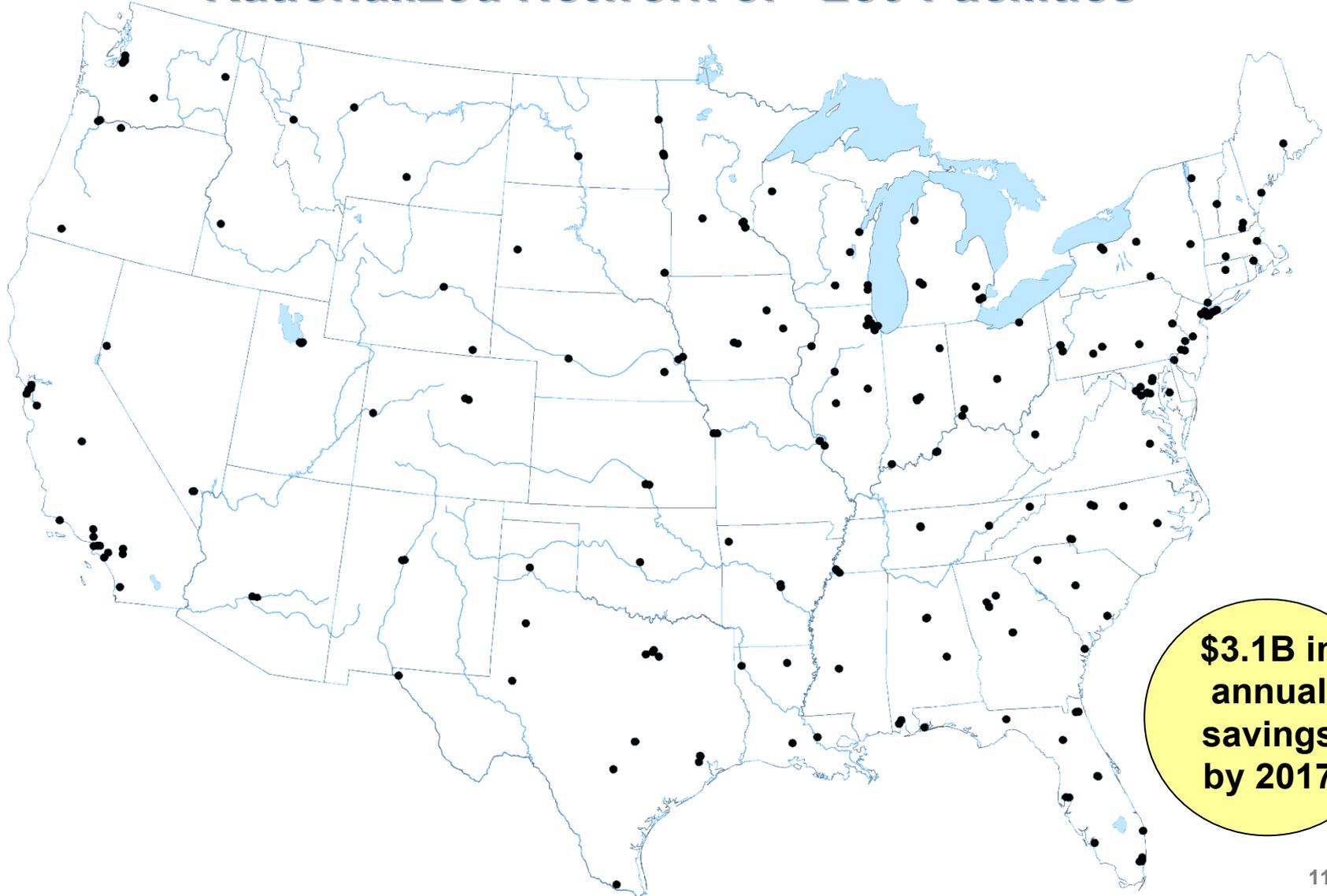
CONSOLIDATION
Excess Capacity



417 Processing Facilities FY 2013



Rationalized Network of <250 Facilities



**\$3.1B in
annual
savings
by 2017**

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 Equipment
- Significant Savings Per Year

CHANGES

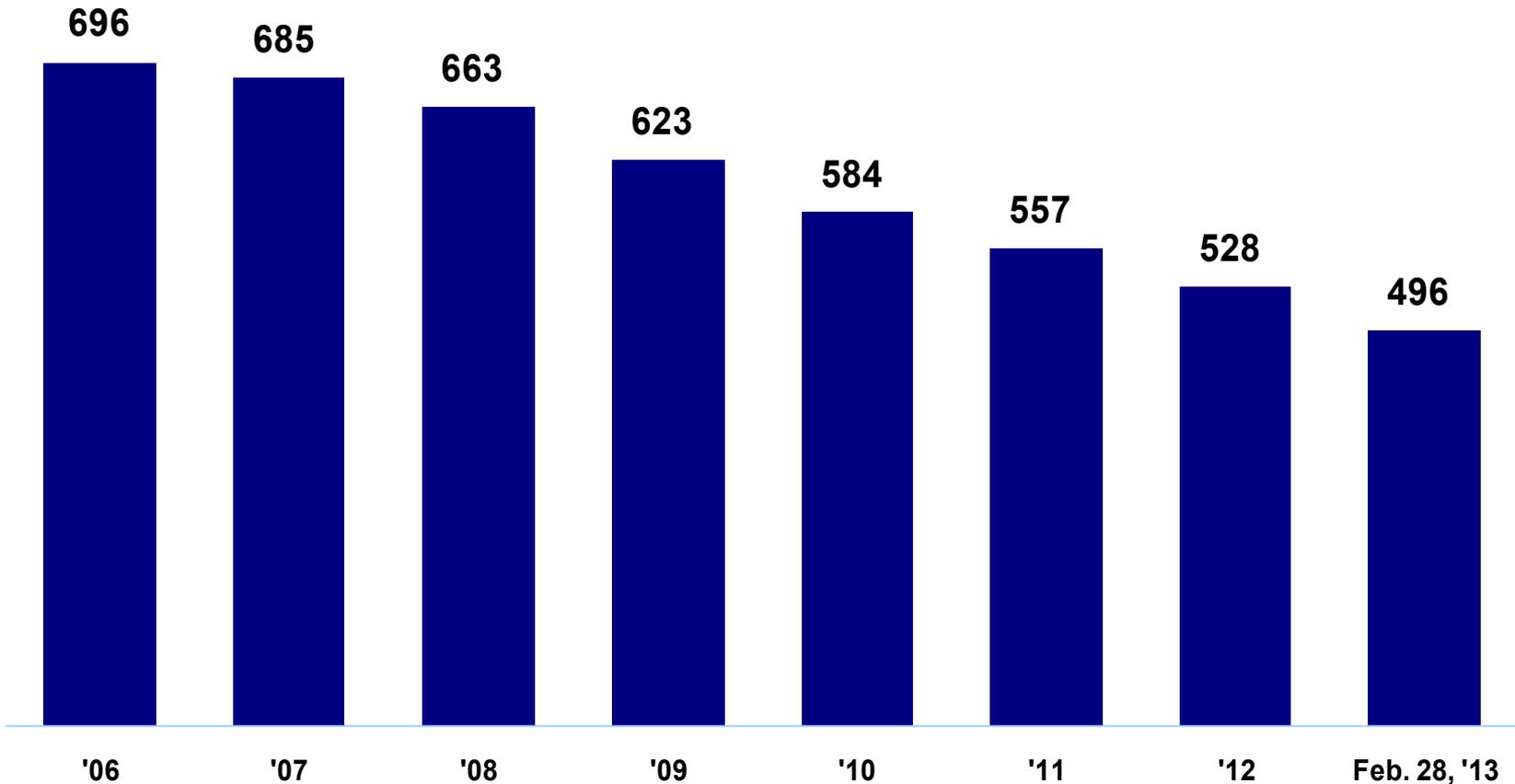
- Planning for new mail processing footprint and transport pattern
 - Transitioning to 2-3 day FCM service standard
-

OUR APPROACH

- Ongoing communication and collaborative solutions

**Career Employees – Reduced by 200,000 (29%)
during last eight fiscal years, without layoffs**

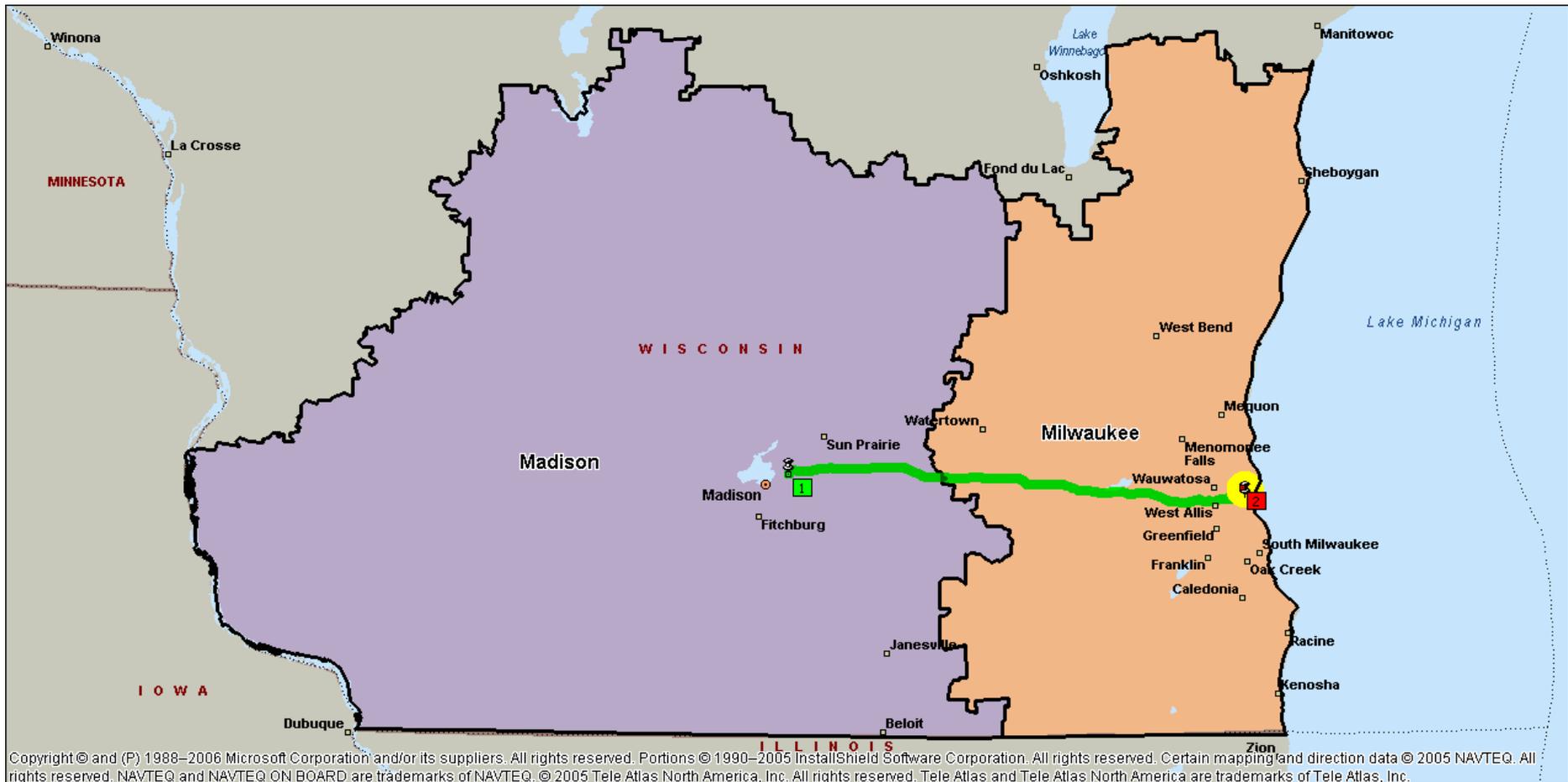
(in thousands)



Topic

**Area Mail
Processing
Study**

DISTANCE BETWEEN FACILITIES – 75 miles



BUSINESS CASE*

Mail Processing Workhour Savings:	\$ 4,085,986
Mail Processing Management Savings:	\$ 387,822
Maintenance Savings:	\$ 551,334
Transportation Savings:	\$ 146,462
<hr/>	
Proposed Yearly Savings:	\$ 5,171,604

***Preliminary results subject to change**

MADISON EMPLOYEE IMPACTS*

Craft Employee Positions Impacted at Madison	-54
Management Positions Impacted at Madison	-3*

* Currently 6 out of 30 management positions are unfilled in Madison.

* If the AMP is completed, only 27 management positions will be authorized in Madison.

All bargaining employee reassignments will be made in accordance with the respective collective bargaining agreements.

***Preliminary results subject to change**

MILWAUKEE EMPLOYEE POSITION IMPACTS*

Proposed Craft Positions to be added at Milwaukee	+ 24
Management Positions Impacted at Milwaukee	-3*

* Currently 14 out of 79 management positions are unfilled in Milwaukee.

* If the AMP is approved, the authorized number of management positions in Milwaukee will decline to 76.

All bargaining employee reassignments will be made in accordance with the respective collective bargaining agreements.

***Preliminary results subject to change**

EMPLOYEE POSITION IMPACTS*

Craft Employees Impacted at Madison	- 54
Proposed Craft Positions to be added at Milwaukee	+ 24
Net Craft Employees impacts due to consolidation	- 30
Net Management Impact	- 6

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

ONLY ONE PART OF OUR PLAN TO:

- Preserve the ability to provide and finance secure, reliable and affordable universal delivery service
- Further economic growth and enhance commerce
- Implement comprehensive transformation for a long-term sustainable financial future
- Protect U.S. taxpayers (avoid federal funding and appropriations)
- Maintain fairness to employees and customers

NEXT STEPS

- Complete Area and HQ review
- Review Public Comments
- Continue Network Optimization studies

Mail additional comments to:

Manager, Consumer & Industry Contact

Lakeland District

PO Box 5008

Milwaukee, WI 53201-5008

*Must be postmarked by **June 13, 2013***