

DELIVERING FOR AMERICA

What you need to know about the United States Postal Service®
Plan to achieve financial sustainability and service excellence

OPERATIONAL MAIL MOVES

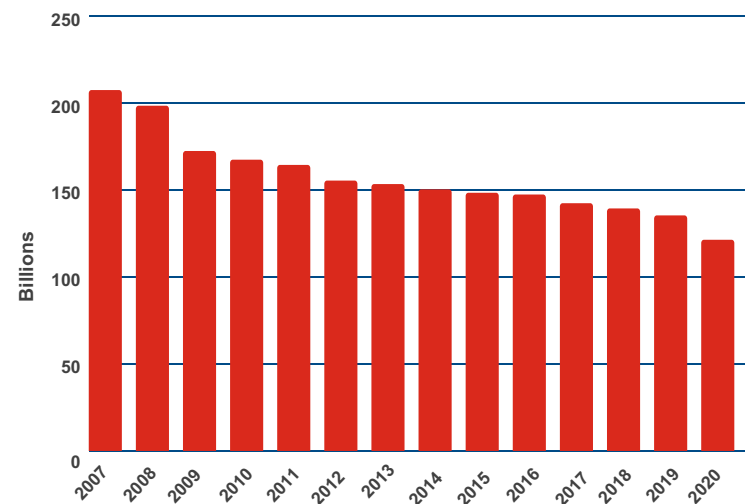
The Postal Service™ operates a nationwide network of mail processing and distribution centers that accept, sort, and dispatch the nation's mail. Moving, removing, and repurposing mail processing equipment and operations or “operational mail moves” is an ongoing Postal Service strategy dating back decades that allows for more efficient, timely delivery of mail and packages. To match the changing mix of mail and packages processed for our customers, we will complete operational mail moves in 18 facilities as part of an effort that was paused in 2015. These operational mail moves are part of our 10-Year Plan which also includes \$20 billion to invest in new equipment and facilities and expand space-constrained facilities to improve package processing operations.

HOW

- We will strategically implement changes at locations where mail processing inefficiencies exist given the decline in mail volume. We will look to repurpose that space where possible for package processing, given the increase in package volume.
- Due to the dramatic decline of mail, we will relocate or remove letter and flat sorting equipment, as appropriate, to make space for much-needed package processing equipment.
- To accommodate growing package volume, we are evaluating the addition of approximately 45 annex facilities located near processing centers in key locations to support surges and overflow.

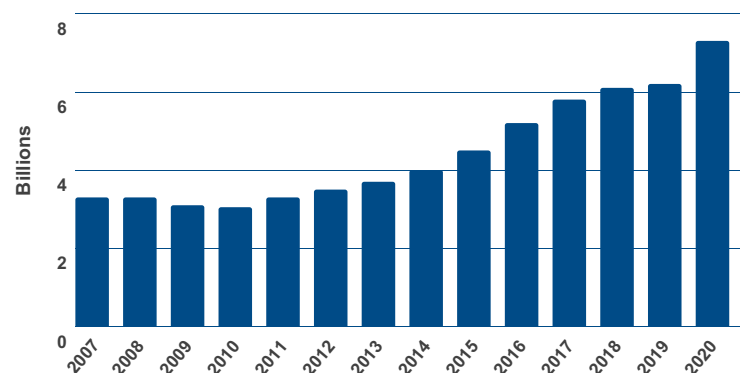
USPS Total Mail Volume

Since 2007, mail volume has decreased by 42%.



USPS Total Package Volume

Package volume has increased by 120%.



WANT TO LEARN MORE ABOUT THE PLAN?

Visit us online at usps.com/deliveringforamerica

DELIVERING FOR AMERICA

What you need to know about the United States Postal Service® Plan to achieve financial sustainability and service excellence

Q: Will mail moves result in lower service performance for letters and flats?

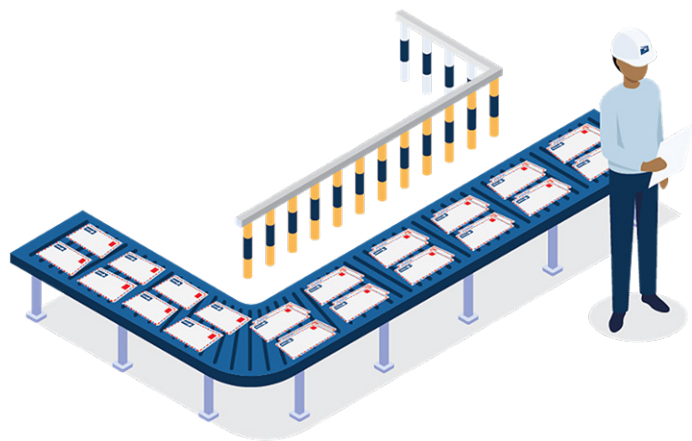
A: To avoid adverse impacts on service performance for letters and flats, data-driven analytics will inform the optimal configuration of sorting equipment, staff realignments, and adjustments of processing operations. For example, despite record election and holiday mail volumes this past year, our utilization rate of mail sorting machines has continued to decline. Moreover, the Postal Service has been moving, removing, and repurposing mail processing equipment and operations for decades. The Postal Service does not plan a significant reduction in mail processing equipment, rather, we will relocate or remove letter and flat sorting equipment as appropriate to make space for much-needed package processing equipment. This process will lead to more efficient and reliable performance in our facilities.

Q: Will mail moves result in layoffs of facility workers?

A: NO. Employee impacts resulting from these operational changes will be handled in accordance with our negotiated contract provisions and these impacts will not result in employee layoffs. These mail moves will require that we allocate more staff to support package processing given the increase in package volume and allocate fewer staff to mail processing given the large decline in mail. To the extent needed, training will be provided to reassigned bargaining unit employees.

HOW DOES MOVING OPERATIONS AND EQUIPMENT IMPROVE EFFICIENCY?

As an example, let's say there are two processing facilities near one another, and they both process letters and packages. Letter mail is declining, and package volumes are increasing. It makes good business sense to realign the mail processing operations from multiple facilities into one facility and provide expanded package sorting capabilities. By centralizing these operations, the Postal Service improves efficiency and service reliability for our customers.



WANT TO LEARN MORE ABOUT THE PLAN?

Visit us online at usps.com/deliveringforamerica