

***[NETWORK CONSOLIDATION PLAN STAND-UP TALK for POST OFFICES,
NON-PROCESSING FACILITIES, and NON-IMPACTED FACILITIES]***

Mandatory Stand-Up Talk

May 16-17, 2012

Modified network consolidation plan to move forward

The Postal Service continues to face difficult decisions in light of its dire financial situation. Just last week, our 2012 Second Quarter financial results showed a loss of \$3.2 billion dollars, and total year-to-date losses of \$6.5 billion.

Today, in the next “State of the Postal Service” video, Postmaster General Pat Donahoe will have an update on network consolidation plans. And, he will recap plans for Post Offices in rural areas.

Please watch, and I will have more details afterwards.

PLAY VIDEO

As the PMG explained, with the May 15 moratorium now past, consolidation activities will start this summer. After a break from September through December, this first phase will resume in January 2013. A second phase will then continue beginning in February of 2014 unless our circumstances change.

Employees at affected facilities are being notified of the phases and general timelines. At facilities where consolidation activity will move forward this summer, employees will receive additional notifications starting May 21.

Actions taken will comply with collective bargaining agreements, Postal Service regulations and policies, and other applicable law.

As we heard in the video, the Postal Service is working with its unions regarding an employee incentive offer and will announce details when final decisions are made.

For the latest and most accurate information on opportunities and actions involving your career, go to the Workforce Connections pages on *LiteBlue*, at “www-dot-liteblue-dot-usps-dot-gov.” (www.LiteBlue.usps.gov).

Check this site on a regular basis to stay current on all USPS workplace announcements.

The Postal Service will continue to keep you informed as these initiatives move forward.

#

For Customer-Facing Employees:

Also give the stand-up talk on the following page.

MANDATORY SERVICE TALK

SUBJECT: NETWORK RATIONALIZATION

The Postal Service is announcing that we are moving ahead with a modified plan to consolidate its network of mail processing facilities. A phased approach will be used with Phase One starting July 1, 2012.

In an effort to keep you informed so you can effectively communicate with customers, here are some key points:

- Some consolidation activities will begin this summer, but there will be no facility closures this summer.
- Due to heightened mail volumes predicted for the election and holiday mailing seasons, no consolidation activities will occur from September through December of 2012.
- Phase 1 will resume in February 2013 and overnight delivery of First Class Mail will be preserved for local areas through the end of 2013. Phase 2 will continue beginning in February 2014 unless the circumstances of the Postal Service change, and the First-Class Mail overnight delivery standard will be applicable only to properly prepared and entered intra-SFC Presort.
- Until a transition date has been announced, mailers will continue to be able to enter mail at Business Mail Entry Units (BMEUs) at their current facilities.
- In the short term, there will be no changes to locations or operating hours of BMEUs, or retail units, co-located with any affected facilities. A 120-day notice will be provided before any BMEU moves, consolidations, or changes to hours of operation.
- Detached Mail Unit locations associated with impacted facilities will be maintained to include transportation, staffing, current Plant Load and Customer Supplier Agreements.
- Mailers are encouraged to align their preparation and entry to the new network. However, mailers will continue to receive drop-ship entry discounts for mail entered at impacted facilities based on 3-digit ZIP Codes currently allowed.
- **Additional Information on mail processing consolidations is available at www.usps.com/ourfuturenetwork.**

In the event that a customer presents a question to which you do not know the answer, please record the question and escalate to your Consumer and Industry Contact Manager.

Remember to thank our customers for the trust they have placed in us over the years, and that we value their business, and are working harder than ever to position the Postal Service so that we can continue to serve them for many years to come.
