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 from Postmaster General Pat Donahoe, we will hear a recap of plans for Post Offices in rural areas. And, the PMG will have an update on network consolidation plans.

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 for election and holiday mail seasons, this first phase will resume in January 2013. A second phase will then continue beginning in February of 2014 unless our circumstances change.

In the short term, there will be no changes to locations or operating hours of Business Mail Entry Units (BMEUs), or retail units co-located with any affected facilities. Mailers will continue to enter mail at their current BMEUs, with adequate notice provided before any moves, consolidations or changes to hours of operation. The previously announced decision to move mail processing operations from the (CLOSING FACILITY NAME) to the (GAINING FACILITY NAME) is currently under review for potential consolidation to begin after January 2013.

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." (<u>www.LiteBlue.usps.gov</u>). Check this site on a regular basis to stay current on all USPS workplace announcements.

(pause)

This was a difficult decision but a necessary one. The Postal Service is facing continued mail volume losses and increasing costs. This has left us with excess processing capacity throughout our network. We have to match resources with mail volume to get back on the path to financial health. This move will help us to do that.

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

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