

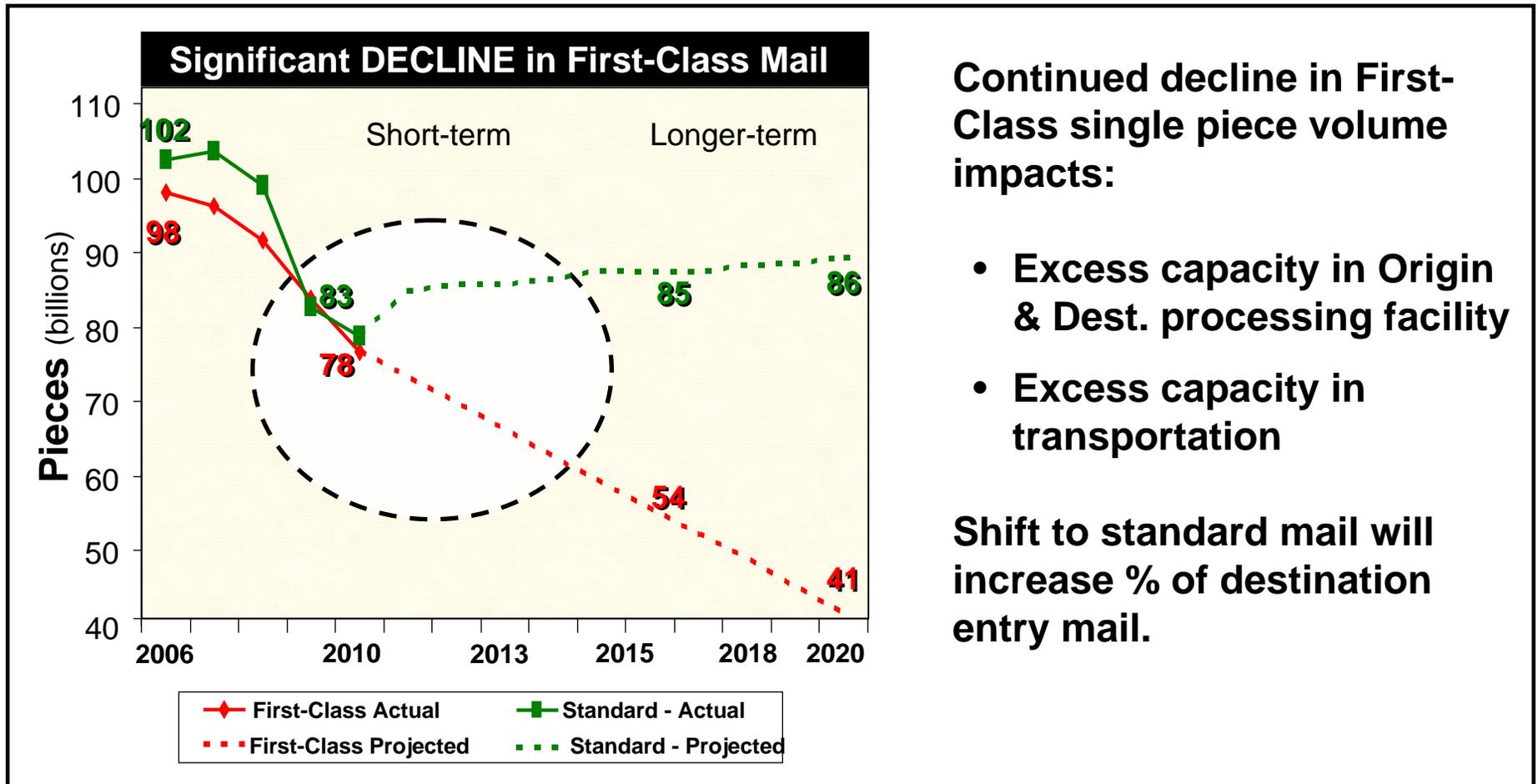
Network Optimization

All Officer Briefing

August 09, 2011

CONFIDENTIAL – For Internal Review and Discussion Only

Network Design – Volume Reality



Source: USPS Revenue & Volume Forecasting

□ **Objective:** Define the most efficient mail processing network and infrastructure to match current and projected workload

- Determine optimal plant locations and an operating plan to fully utilize equipment
- Revise Service Standards for First-Class Mail

□ **Results:** ~50% Reduction in Plants and Equipment
[\$2.6 - \$3.0 Billion savings]

TIME LINE - NETWORK OPTIMIZATION



- **Key Activities**

- Integrated Network Planning
- Stakeholder Management
- Regulatory Filing and Rule Changes
- Implementation
- Adjust the workforce