LABOR RELATIONS

October 9, 2009

Mr. William Burrus
President
American Postal Workers
Union (APWU), AFL-CIO
1300 L Street, NW
Washington, DC 20005-4128

Sent by Email and Fax:
rbailey@apwu.org

Fax: (202) 842-4285

Dear Bill:

This letter is an informational notice of the Postal Service's intent to conduct Area Mail Processing (AMP) feasibility studies at the following Southeast Area locations:

- Grenada, Mississippi Customer Service Processing Center (CSMPC) for possible consolidation of some operations into Jackson, Mississippi Processing and Distribution Center (P&DC).

- Tupelo, Mississippi Customer Service Processing Center (CSMPC) for possible consolidation of some operations into Memphis, Tennessee Processing and Distribution Center (P&DC).

An AMP study involves the review of mail processing and transportation operations at a postal facility. The reason for the study is to review mail volume and determine capacity needs in order to increase efficiency and improve productivity. In doing so, we will be able to continue to provide universal service at a reasonable cost for a long time to come.

The Postal Service is facing one of the most difficult challenges in its history. There has been a continual decline in single-piece First-Class Mail volumes over the past decade. Volume was down by more than 9 billion pieces last year. It's falling even faster today. By the end of the year, we expect to lose 20 billion pieces. The Postal Service has to realign its processing and delivery network to match its resources with mail volume. The reality is we have an excess of equipment, staff and facilities to process a declining volume of mail. Consolidating some postal operations only makes logical business sense given the economic realities. It would be fiscally irresponsible not to do so.

This letter is solely intended to provide you with information that we plan to conduct the studies. If the business case supports consolidation, a public meeting will be held to allow members of the community to ask questions and provide feedback. Community input will be considered before a decision is made as to whether or not the proposed consolidation should be implemented. This letter is not intended as notice of future

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changes in mail processing and is not a notice of impact on employees. Appropriate notice will be given, if any is required, when a decision is made.

If you have any questions concerning these AMP feasibility studies, please contact Ron Scott at (202) 268-7512.

Sincerely,

John W. Dockins
Manager
Contract Administration (APWU)