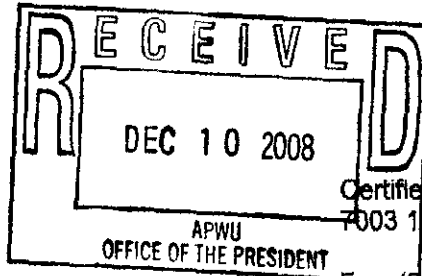




December 10, 2008

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



Certified Mail Number:
7003 1010 0000 6762 6298
Fax: (202) 842-4285

Dear Bill:

This letter is an informational notice of the intent of the Postal Service to conduct an Area Mail Processing (AMP) study of the mail processing at the Hattiesburg, Mississippi Customer Service Mail Processing Center for possible consolidation of some operations into the Gulfport, Mississippi Processing and Distribution Center (P&DC).

An AMP study involves a review of mail processing and transportation operations of 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. The current economic downturn has led to an even greater decline in volume with the loss of over 9 billion pieces in this past year alone. 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 it 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 study. 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 changes in mail processing and is not a notice of impact on employees. You will be provided with the appropriate notice, if any is required, when a decision is made.

If there are any questions concerning this AMP feasibility study, please feel free to contact Jacqueline Adona of my staff at (202) 268-3800.

Sincerely,

John W. Dockins
Manager
Contract Administration (APWU)