

NATIONAL ASSOCIATION OF POSTAL SUPERVISORS

National Headquarters 1727 KING STREET, SUITE 400 ALEXANDRIA, VA 22314-2753 (703) 836-9660

May 6, 2024

Board Memo 064-2024: Notice to Facilities Regarding MPFR Results

Executive Board,

NAPS HQ has been provided from the USPS results based on Mail Processing Facility Reviews (MPFR) at four Processing and Distribution Centers (P&DC). The reviews resulted in keeping the facilities listed below open and modernized as Local Processing Centers (LPC). Stand-Up Talks will be provided to employees at the four locations mentioned below.

- Charleston P&DC in North Charleston, SC into Columbia P&DC in Columbia, SC
- Missoula P&DC in Missoula, MT into Spokane P&DC in Spokane, WA
- Sioux Falls P&DC in Sioux Falls, SD into Omaha P&DC in Omaha, NE
- Tulsa P&DC in Tulsa, OK into Oklahoma City P&DC in Oklahoma City, OK

Please see the link below for status updates for each 408 study.

Mail Processing Facility Review | about.usps.com

Thank you, and be safe.

NAPS Headquarters



POSTAL NEWS

FOR IMMEDIATE RELEASE Apr. 30, 2024

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USPS to Improve Mail Operations at Tulsa Processing Facility

Facility to remain open and modernized as a Local Processing Center to improve mail and package flow through the region

USPS to invest up to \$22.5 million in this facility as part of 10-year Delivering for America plan to modernize the nation's aging postal network

There will be no career employee layoffs

TULSA, OK — As part of a \$40 billion investment strategy to upgrade and improve the Postal processing, transportation, and delivery networks, the United States Postal Service announced its plan to modernize mail operations at its Tulsa Processing and Distribution Center (P&DC) in Tulsa, OK.

The announcement comes following a thorough business review and solicitation of public feedback on the facility's future. In addition to determining the facility will remain open and modernized as a Local Processing Center (LPC), the business case supports transferring mail processing outgoing operations to the Oklahoma City P&DC in Oklahoma City, OK. Currently, a majority of mail and packages are destined outside the Tulsa area to the rest of the world.

The investment in the Tulsa facility is a part of the Postal Service's 10-year Delivering for America (DFA) plan to improve organizational and operational processes and actively make the Postal Service an efficient, high-performing, world class logistics and delivery provider.

The Postal Service will invest up to \$22.5 million in the Tulsa LPC, which will result in expanded and streamlined package and mail processing and distribution capabilities for the facility. These investments include \$13.5 million for modernization efforts and deferred maintenance. For example, these funds will be used for new workplace amenities for Postal Service employees such as new lighting and renovated bathrooms and breakrooms. To help improve delivery services, investments totaling \$4 million will be made to locate a High-Speed Tray Sorting Machine and Single Induction Package Sorter Gen 3 into the facility. The investment cost and new processing equipment may be subject to change as we are still in the SIPS-Gen 3 design phase.

In addition, consolidating plant operations will allow the Tulsa LPC to be collocated with a Sorting and Delivery Center (S&DC). These facilities will allow the Postal Service to provide faster and more reliable mail and package delivery over a greater geographic area. S&DCs will have upgraded sorting equipment, offer Same Day or Next Day delivery options, and provide better facilities for Postal Service employees.

S&DCs will be equipped with the necessary infrastructure to support the deployment of the Postal Service's new Battery Electric Vehicles (BEVs) and charging stations. In locations where BEVs will be used, the Postal Service will upgrade and develop the infrastructure required for their effective

deployment. Based on the average deployment numbers at S&DCs, new vehicle investment in BEVs is around \$5 million per site. The S&DC that will be collocated with the Tulsa LPC will have 181 delivery routes that are eligible to be serviced by BEVs.

The Postal Service also announced there will be no career layoffs as part of this initiative. All career bargaining unit reassignments, as well as any reduction in any number of pre-career employees, will be made in accordance with respective collective bargaining agreements. As part of its strategy, the Postal Service is enhancing package processing and shipping capacity, which may result in increased plant activity and the need for additional support in the future.

Once changes are implemented, Business mail entry, Post Office, station, and branch retail services are not expected to change, and delivery services will be enhanced. After the Tulsa facility is converted to an LPC, it is anticipated that it will be able to mail and ship packages, manual letters and flats. The LPC is also anticipated to offer express services and accept bulk and permit mail.

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Please Note: The United States Postal Service is an independent federal establishment, mandated to be self-financing and to serve every American community through the affordable, reliable and secure delivery of mail and packages to 167 million addresses six and often seven days a week. Overseen by a bipartisan Board of Governors, the Postal Service is implementing a 10-year transformation plan, *Delivering for America*, to modernize the postal network, restore long-term financial sustainability, dramatically improve service across all mail and shipping categories, and maintain the organization as one of America's most valued and trusted brands.

The Postal Service generally receives no tax dollars for operating expenses and relies on the sale of postage, products and services to fund its operations.

STAND-UP TALK DECISION TO PROCEED ON TULSA P&DC MAIL PROCESSING FACILITY REVIEW

On January 10, 2024, we notified you that we were beginning a Mail Processing Facility Review (MPFR) at the Tulsa Processing and Distribution Center (P&DC) in Tulsa, OK, to see if it would make sense to transfer some mail operations into the Oklahoma City P&DC in Oklahoma City, OK.

The results of the facility review support keeping the Tulsa facility open and modernized as a Local Processing Center (LPC). Additionally, the business case supports transferring mail processing outgoing operations to the Oklahoma City P&DC. Currently, a majority of mail and packages are destined outside the Tulsa area to the rest of the world.

This effort is a part of the Postal Service's 10-year Delivering for America (DFA) plan to improve organizational and operational processes and actively make the Postal Service an efficient, high-performing, world class logistics and delivery provider. Improvements to Postal operations in Tulsa will enhance the level of service provided to the public; drive innovation and enable a broader array of postal products and services; enhance organizational competitiveness; improve efficiency and lower the cost to operate; and provide better workplaces and careers for Postal Service employees.

The Postal Service will invest up to \$22.5 million in the Tulsa LPC, which will result in expanded and streamlined package and mail processing and distribution capabilities for the facility. These investments include \$13.5 million for modernization efforts and deferred maintenance. For example, these funds will be used for new workplace amenities for Postal Service employees such as new lighting and renovated bathrooms and breakrooms. To help improve delivery services, investments totaling \$4 million will be made to locate a High-Speed Tray Sorting Machine and Single Induction Package Sorter Gen 3 into the facility. The investment cost and new processing equipment may be subject to change as we are still in the SIPS-Gen 3 design phase.

In addition, consolidating plant operations will allow the Tulsa LPC to be collocated with a Sorting and Delivery Center (S&DC). These facilities will allow the Postal Service to provide faster and more reliable mail and package delivery over a greater geographic area. S&DCs will have upgraded sorting equipment, offer Same Day or Next Day delivery options, and provide better facilities for Postal Service employees.

S&DCs will be equipped with the necessary infrastructure to support the deployment of the Postal Service's new Battery Electric Vehicles (BEVs) and charging stations. In locations where BEVs will be used, the Postal Service will upgrade and develop the infrastructure required for their effective deployment. Based on the average deployment numbers at S&DCs, new vehicle investment in BEVs is around \$5 million per site. The S&DC that will be collocated with the Tulsa LPC will have 181 delivery routes that are eligible to be serviced by BEVs.

There will be no career employee layoffs as part of this initiative. All career bargaining unit reassignments, as well as any reduction in any number of pre-career employees, will be made in accordance with Article 12 of the respective collective bargaining agreements. As part of its strategy, the Postal Service is enhancing package processing and shipping capacity, which may result in increased plant activity and the need for additional support in the future.

We do expect there will be some impacts to staffing with Originating operations moving to the Oklahoma City P&DC. We anticipate this to impact the following career positions at the Tulsa P&DC:

- 21 Craft
- 5 Management

Once again, we want to emphasize that there will be no career employee layoffs as part of this initiative.

Once changes are implemented, Business mail entry, Post Office, station, and branch retail services are not expected to change, and delivery services will be enhanced. It is also anticipated that the Tulsa facility will maintain the following destinating operations once converted to the LPC:

- Destinating packages
- Destinating letters and flats
- Destinating bundles
- Manual letters and flats
- Express
- Business Mail Entry Unit (BMEU)

The future Tulsa LPC and Oklahoma City P&DC will be critical nodes in our network transformation plan. As part of this work, our goal is to reach 95% on-time delivery for all mail products.



POSTAL NEWS

FOR IMMEDIATE RELEASE Apr. 30, 2024

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USPS to Improve Mail Operations at Sioux Falls Processing Facility

Facility to remain open and modernized as a Local Processing Center to improve mail and package flow through the region.

USPS to invest up to \$12.75 million in this facility as part of 10-year Delivering for America plan to modernize the nation's aging postal network.

There will be no career employee layoffs.

SIOUX FALLS, SD — As part of a \$40 billion investment strategy to upgrade and improve the Postal processing, transportation, and delivery networks, the United States Postal Service announced its plan to modernize mail operations at its Sioux Falls Processing and Distribution Center (P&DC) in Sioux Falls. SD.

The announcement comes following a thorough business review and solicitation of public feedback on the facility's future. In addition to determining the facility will remain open and modernized as a Local Processing Center (LPC), the business case supports transferring mail processing outgoing operations to the Omaha P&DC in Omaha, NE. Currently, a majority of mail and packages are destined outside the Sioux Falls area to the rest of the world.

The investment in the Sioux Falls facility is a part of the Postal Service's 10-year Delivering for America (DFA) plan to improve organizational and operational processes and actively make the Postal Service an efficient, high-performing, world class logistics and delivery provider.

The Postal Service will invest up to \$12.75 million in the Sioux Falls LPC, which will result in expanded and streamlined package and mail processing and distribution capabilities for the facility. These investments include \$6.5 million for modernization efforts and deferred maintenance. For example, these funds will be used for new workplace amenities for Postal Service employees such as new lighting and renovated bathrooms and breakrooms. To help improve delivery services, investments totaling \$1.25 million will be made to locate a Single Induction Package Sorter into the facility.

In addition, consolidating plant operations will allow the Sioux Falls LPC to be co-located with a Sorting and Delivery Center (S&DC). These facilities will allow the Postal Service to provide faster and more reliable mail and package delivery over a greater geographic area. S&DCs will have upgraded sorting equipment, offer Same Day or Next Day delivery options, and provide better facilities for Postal Service employees.

S&DCs will be equipped with the necessary infrastructure to support the deployment of the Postal Service's new Battery Electric Vehicles (BEVs) and charging stations. In locations where BEVs will be used, the Postal Service will upgrade and develop the infrastructure required for their effective

deployment. Based on the average deployment numbers at S&DCs, new vehicle investment in BEVs is around \$5 million per site. The S&DC that will be co-located with the Sioux Falls LPC will have 90 delivery routes that are eligible to be serviced by BEVs.

The Postal Service also announced there will be no career layoffs as part of this initiative. All career bargaining unit reassignments, as well as any reduction in any number of pre-career employees, will be made in accordance with respective collective bargaining agreements. As part of its strategy, the Postal Service is enhancing package processing and shipping capacity, which may result in increased plant activity and the need for additional support in the future.

Once changes are implemented, Business mail entry, Post Office, station, and branch retail services are not expected to change, and delivery services will be enhanced. After the Sioux Falls facility is converted to an LPC, it is anticipated that it will be able to mail and ship packages, manual letters and flats. The LPC is also anticipated to offer express services and accept bulk and permit mail.

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STAND-UP TALK DECISION TO PROCEED ON SIOUX FALLS P&DC MAIL PROCESSING FACILITY REVIEW

On January 10, 2024, we notified you that we were beginning a Mail Processing Facility Review (MPFR) at the Sioux Falls Processing and Distribution Center (P&DC) in Sioux Falls, SD, to see if it would make sense to transfer some mail operations into the Omaha P&DC in Omaha, NE.

The results of the facility review support keeping the Sioux Falls facility open and modernized as a Local Processing Center (LPC). Additionally, the business case supports transferring mail processing outgoing operations to the Omaha P&DC. Currently, a majority of mail and packages are destined outside the Sioux Falls area to the rest of the world.

This effort is a part of the Postal Service's 10-year Delivering for America (DFA) plan to improve organizational and operational processes and actively make the Postal Service an efficient, high-performing, world class logistics and delivery provider. Improvements to Postal operations in Sioux Falls will enhance the level of service provided to the public; drive innovation and enable a broader array of postal products and services; enhance organizational competitiveness; improve efficiency and lower the cost to operate; and provide better workplaces and careers for Postal Service employees.

The Postal Service will invest up to \$12.75 million in the Sioux Falls LPC, which will result in expanded and streamlined package and mail processing and distribution capabilities for the facility. These investments include \$6.5 million for modernization efforts and deferred maintenance. For example, these funds will be used for new workplace amenities for Postal Service employees such as new lighting and renovated bathrooms and breakrooms. To help improve delivery services, investments totaling \$1.25 million will be made to locate a Single Induction Package Sorter into the facility.

In addition, consolidating plant operations will allow the Sioux Falls LPC to be co-located with a Sorting and Delivery Center (S&DC). These facilities will allow the Postal Service to provide faster and more reliable mail and package delivery over a greater geographic area. S&DCs will have upgraded sorting equipment, offer Same Day or Next Day delivery options, and provide better facilities for Postal Service employees.

S&DCs will be equipped with the necessary infrastructure to support the deployment of the Postal Service's new Battery Electric Vehicles (BEVs) and charging stations. In locations where BEVs will be used, the Postal Service will upgrade and develop the infrastructure required for their effective deployment. Based on the average deployment numbers at S&DCs, new vehicle investment in BEVs is around \$5 million per site. The S&DC that will be co-located with the Sioux Falls LPC will have 90 delivery routes that are eligible to be serviced by BEVs.

There will be no career employee layoffs as part of this initiative. All career bargaining unit reassignments, as well as any reduction in any number of pre-career employees, will be made in accordance with Article 12 of the respective collective bargaining agreements. As part of its strategy, the Postal Service is enhancing package processing and shipping capacity, which may result in increased plant activity and the need for additional support in the future.

We do expect there will be some impacts to staffing with Originating operations moving to the Omaha P&DC. We anticipate this to impact the following career positions at the Sioux Falls P&DC:

- 35 Craft
- 3 Management

Once again, we want to emphasize that there will be no career employee layoffs as part of this initiative.

Once changes are implemented, Business mail entry, Post Office, station, and branch retail services are not expected to change, and delivery services will be enhanced. It is also anticipated that the Sioux Falls facility will maintain the following destinating operations once converted to the LPC:

- Destinating packages
- Destinating letters and flats
- Destinating bundles
- Manual letters and flats
- Express
- Business Mail Entry Unit (BMEU)

The future Sioux Falls LPC and Omaha P&DC will be critical nodes in our network transformation plan. As part of this work, our goal is to reach 95% on-time delivery for all mail products.



POSTAL NEWS

FOR IMMEDIATE RELEASE Apr. 30, 2024

Contact: Kimberly Frum Kimberly.A.Frum@usps.gov











USPS to Improve Mail Operations at Missoula Processing Facility

Facility to remain open and modernized as a Local Processing Center to improve mail and package flow through the region

USPS to invest up to \$12.2 million in this facility as part of 10-year Delivering for America plan to modernize the nation's aging postal network

There will be no career employee layoffs

MISSOULA, MT — As part of a \$40 billion investment strategy to upgrade and improve the Postal processing, transportation, and delivery networks, the United States Postal Service announced its plan to modernize mail operations at its Missoula Processing and Distribution Center (P&DC) in Missoula, MT.

The announcement comes following a thorough business review and solicitation of public feedback on the facility's future. In addition to determining the facility will remain open and modernized as a Local Processing Center (LPC), the business case supports transferring mail processing outgoing operations to the Spokane WA Processing and Distribution Center (P&DC) in Spokane, WA. Currently, a majority of mail and packages are destined outside the Missoula to the rest of the world.

The investment in the Missoula facility is a part of the Postal Service's 10-year Delivering for America (DFA) plan to improve organizational and operational processes and actively make the Postal Service an efficient, high-performing, world class logistics and delivery provider.

The Postal Service will invest up to \$12.2 million in the Missoula LPC, which will result in expanded and streamlined package and mail processing and distribution capabilities for the facility. These investments include \$3.3 million for modernization efforts and deferred maintenance. For example, these funds will be used for new workplace amenities for Postal Service employees such as new lighting and renovated bathrooms and breakrooms. To help improve delivery services, investments totaling \$3.9 million will be made to locate 1 Flex Rover Sorter Quad into this facility.

In addition, consolidating plant operations will allow the Missoula LPC to be co-located with a Sorting and Delivery Center (S&DC). These facilities will allow the Postal Service to provide faster and more reliable mail and package delivery over a greater geographic area. S&DCs will have upgraded sorting equipment, offer Same Day or Next Day delivery options, and provide better facilities for Postal Service employees.

S&DCs will be equipped with the necessary infrastructure to support the deployment of the Postal Service's new Battery Electric Vehicles (BEVs) and charging stations. In locations where BEVs will be used, the Postal Service will upgrade and develop the infrastructure required for their effective deployment. Based on the average deployment numbers at S&DCs, new vehicle investment in BEVs is around \$5 million per site. The S&DC that will be co-located with the Missoula LPC will have 65 delivery routes that are eligible to be serviced by BEVs.

The S&DC will also feature evolving USPS's self-service tools and technology to give customers added services and new choices in how they ship and receive packages:

The Postal Service also announced there will be no career layoffs as part of this initiative. All career bargaining unit reassignments, as well as any reduction in any number of pre-career employees, will be made in accordance with respective collective bargaining agreements. As part of its strategy, the Postal Service is enhancing package processing and shipping capacity, which may result in increased plant activity and the need for additional support in the future.

Once changes are implemented, Business mail entry, Post Office, station, and branch retail services are not expected to change, and delivery services will be enhanced. After the Missoula facility is converted to an LPC, it is anticipated that it will be able to mail and ship packages, manual letters, and flats. The LPC is also anticipated to offer express services and accept bulk and permit mail.

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STAND-UP TALK DECISION TO PROCEED ON MISSOULA P&DC MAIL PROCESSING FACILITY REVIEW

On January 10, 2024, we notified you that we were beginning a Mail Processing Facility Review (MPFR) at the Missoula Processing and Distribution Center (P&DC) in Missoula, MT, to see if it would make sense to transfer some mail operations into the Spokane P&DC in Spokane, WA.

The results of the facility review support keeping the Missoula facility open and modernized as a Local Processing Center (LPC). Additionally, the business case supports transferring mail processing outgoing operations to the Spokane P&DC. Currently, a majority of mail and packages are destined outside the Missoula area to the rest of the world.

This effort is a part of the Postal Service's 10-year Delivering for America (DFA) plan to improve organizational and operational processes and actively make the Postal Service an efficient, high-performing, world class logistics and delivery provider. Improvements to Postal operations in Missoula will enhance the level of service provided to the public; drive innovation and enable a broader array of postal products and services; enhance organizational competitiveness; improve efficiency and lower the cost to operate; and provide better workplaces and careers for Postal Service employees.

The Postal Service will invest up to \$12.2 million in the Missoula LPC, which will result in expanded and streamlined package and mail processing and distribution capabilities for the facility. These investments include \$3.3 million for modernization efforts and deferred maintenance. For example, these funds will be used for new workplace amenities for Postal Service employees such as new lighting and renovated bathrooms and breakrooms. To help improve delivery services, investments totaling \$3.9 million will be made to locate 1 Flex Rover Sorter Quad into this facility.

In addition, consolidating plant operations will allow the Missoula LPC to be co-located with a Sorting and Delivery Center (S&DC). These facilities will allow the Postal Service to provide faster and more reliable mail and package delivery over a greater geographic area. S&DCs will have upgraded sorting equipment, offer Same Day or Next Day delivery options, and provide better facilities for Postal Service employees.

S&DCs will be equipped with the necessary infrastructure to support the deployment of the Postal Service's new Battery Electric Vehicles (BEVs) and charging stations. In locations where BEVs will be used, the Postal Service will upgrade and develop the infrastructure required for their effective deployment. Based on the average deployment numbers at S&DCs, new vehicle investment in BEVs is around \$5 million per site. The S&DC that will be co-located with the Missoula LPC will have 65 delivery routes that are eligible to be serviced by BEVs.

The S&DC will also feature evolving USPS's self-service tools and technology to give customers added services and new choices in how they ship and receive packages:

There will be no career employee layoffs as part of this initiative. All career bargaining unit reassignments, as well as any reduction in any number of pre-career employees, will be made in accordance with Article 12 of the respective collective bargaining agreements. As part of its strategy, the Postal Service is enhancing package processing and shipping capacity, which may result in increased plant activity and the need for additional support in the future.

We do expect there will be some impacts to staffing with Originating operations moving to the Spokane P&DC. We anticipate this to impact the following career positions at the Missoula P&DC:

- 17 Craft
- 1 Management

Once again, we want to emphasize that there will be no career employee layoffs as part of this initiative.

Once changes are implemented, Business mail entry, Post Office, station, and branch retail services are not expected to change, and delivery services will be enhanced. It is also anticipated that the Missoula facility will maintain the following destinating operations once converted to the LPC:

- Destinating packages
- Destinating letters and flats
- Destinating bundles
- Manual letters and flats
- Express
- Business Mail Entry Unit (BMEU)

The future Missoula LPC and the Spokane P&DC will be critical nodes in our network transformation plan. As part of this work, our goal is to reach 95% on-time delivery for all mail products.





FOR IMMEDIATE RELEASE Apr. 30, 2024

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USPS to Improve Mail Operations at Charleston Processing Facility

Facility to remain open and modernized as a Local Processing Center to improve mail and package flow through the region

USPS to invest up to \$15.2 million in this facility as part of 10-year Delivering for America plan to modernize the nation's aging postal network

There will be no career employee layoffs

NORTH CHARLESTON, SC — As part of a \$40 billion investment strategy to upgrade and improve the Postal processing, transportation, and delivery networks, the United States Postal Service announced its plan to modernize mail operations at its Charleston Processing and Distribution Center (P&DC) in North Charleston, SC.

The announcement comes following a thorough business review and solicitation of public feedback on the facility's future. In addition to determining the facility will remain open and modernized as a Local Processing Center (LPC), the business case supports transferring mail processing outgoing operations to the Columbia P&DC in Columbia, SC. Currently, a majority of mail and packages are destined outside the Charleston area to the rest of the world.

The investment in the Charleston facility is a part of the Postal Service's 10-year Delivering for America (DFA) plan to improve organizational and operational processes and actively make the Postal Service an efficient, high-performing, world class logistics and delivery provider.

The Postal Service will invest up to \$15.2 million in the Charleston LPC, which will result in expanded and streamlined package and mail processing and distribution capabilities for the facility. These investments include \$6.2 million for modernization efforts and deferred maintenance. For example, these funds will be used for new workplace amenities for Postal Service employees such as new lighting and renovated bathrooms and breakrooms. To help improve delivery services, investments totaling \$4.0 million will be made to locate a High-Speed Tray Sorter and a Single Induction Package Sorter into the facility.

In addition, consolidating plant operations will allow the Charleston LPC to be co-located with a Sorting and Delivery Center (S&DC). These facilities will allow the Postal Service to provide faster and more reliable mail and package delivery over a greater geographic area. S&DCs will have upgraded sorting equipment, offer Same Day or Next Day delivery options, and provide better facilities for Postal Service employees.

S&DCs will be equipped with the necessary infrastructure to support the deployment of the Postal Service's new Battery Electric Vehicles (BEVs) and charging stations. In locations where BEVs will be used, the Postal Service will upgrade and develop the infrastructure required for their effective deployment. Based on the average deployment numbers at S&DCs, new vehicle investment in BEVs is around \$5 million per site. The S&DC that will be co-located with the Charleston LPC will have 109 delivery routes that are eligible to be serviced by BEVs.

The S&DC will also feature evolving USPS's self-service tools and technology to give customers added services and new choices in how they ship and receive packages.

The Postal Service also announced there will be no career layoffs as part of this initiative. All career bargaining unit reassignments, as well as any reduction in any number of pre-career employees, will be made in accordance with respective collective bargaining agreements. As part of its strategy, the Postal Service is enhancing package processing and shipping capacity, which may result in increased plant activity and the need for additional support in the future.

Once changes are implemented, Business mail entry, Post Office, station, and branch retail services are not expected to change, and delivery services will be enhanced. After the Charleston facility is converted to an LPC, it is anticipated that it will be able to mail and ship packages, manual letters and flats. The LPC is also anticipated to offer express services and accept bulk and permit mail.

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The Postal Service generally receives no tax dollars for operating expenses and relies on the sale of postage, products and services to fund its operations.

STAND-UP TALK DECISION TO PROCEED ON CHARLESTON P&DC MAIL PROCESSING FACILITY REVIEW

On January 10, 2024, we notified you that we were beginning a Mail Processing Facility Review (MPFR) at the Charleston Processing and Distribution Center (P&DC) in North Charleston, SC, to see if it would make sense to transfer some mail operations into the Columbia P&DC in Columbia, SC.

The results of the facility review support keeping the Charleston facility open and modernized as a Local Processing Center (LPC). Additionally, the business case supports transferring mail processing outgoing operations to the Columbia P&DC. Currently, a majority of mail and packages are destined outside the Charleston area to the rest of the world.

This effort is a part of the Postal Service's 10-year Delivering for America (DFA) plan to improve organizational and operational processes and actively make the Postal Service an efficient, high-performing, world class logistics and delivery provider. Improvements to Postal operations in Charleston will enhance the level of service provided to the public; drive innovation and enable a broader array of postal products and services; enhance organizational competitiveness; improve efficiency and lower the cost to operate; and provide better workplaces and careers for Postal Service employees.

The Postal Service will invest up to \$15.2 million in the Charleston LPC, which will result in expanded and streamlined package and mail processing and distribution capabilities for the facility. These investments include \$6.2 million for modernization efforts and deferred maintenance. For example, these funds will be used for new workplace amenities for Postal Service employees such as new lighting and renovated bathrooms and breakrooms. To help improve delivery services, investments totaling \$4.0 million will be made to locate a High-Speed Tray Sorter and a Single Induction Package Sorter into the facility.

In addition, consolidating plant operations will allow the Charleston LPC to be co-located with a Sorting and Delivery Center (S&DC). These facilities will allow the Postal Service to provide faster and more reliable mail and package delivery over a greater geographic area. S&DCs will have upgraded sorting equipment, offer Same Day or Next Day delivery options, and provide better facilities for Postal Service employees.

S&DCs will be equipped with the necessary infrastructure to support the deployment of the Postal Service's new Battery Electric Vehicles (BEVs) and charging stations. In locations where BEVs will be used, the Postal Service will upgrade and develop the infrastructure required for their effective deployment. Based on the average deployment numbers at S&DCs, new vehicle investment in BEVs is around \$5 million per site. The S&DC that will be co-located with the Charleston LPC will have 109 delivery routes that are eligible to be serviced by BEVs.

The S&DC will also feature evolving USPS's self-service tools and technology to give customers added services and new choices in how they ship and receive packages.

There will be no career employee layoffs as part of this initiative. All career bargaining unit reassignments, as well as any reduction in any number of pre-career employees, will be made in accordance with Article 12 of the respective collective bargaining agreements. As part of its strategy, the Postal Service is enhancing package processing and shipping capacity, which may result in increased plant activity and the need for additional support in the future.

We do expect there will be some impacts to staffing with Originating operations moving to the Columbia P&DC. We anticipate this to impact the following career positions at the Charleston P&DC:

• 2 Management

Once again, we want to emphasize that there will be no career employee layoffs as part of this initiative.

Once changes are implemented, Business mail entry, Post Office, station, and branch retail services are not expected to change, and delivery services will be enhanced. It is also anticipated that the Charleston facility will maintain the following destinating operations once converted to the LPC:

- Destinating packages
- Destinating letters and flats
- Destinating bundles
- Manual letters and flats
- Express
- Business Mail Entry Unit (BMEU)

The future Charleston LPC and Columbia P&DC will be critical nodes in our network transformation plan. As part of this work, our goal is to reach 95% on-time delivery for all mail products.