

NATIONAL ASSOCIATION OF POSTAL SUPERVISORS

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September 20, 2024

Board Memo 136-2024: Local Mail Local Initiative

Executive Board,

The USPS has provided official notice confirming the plans to retain certain local mail processing operations at the Tulsa, Fort Meyers, and the Eastern Maine postal facilities. Attached are the stand-up talks and talking points for each location.

Please share this information with your membership.

Thank you, and please be safe.

NAPS Headquarters

September 16, 2024

STAND-UP TALK

Proposed Operational Strategy to Save \$3 Billion Annually on a Nation-Wide Basis Will Enable Postal Service to Absorb the Costs of Certain Local Originating Mail Processing Operations so they can Remain in Tulsa

Savings created by new strategy – which is under review by the Postal Regulatory Commission – will negate need to relocate Tulsa facility's local mail processing originating operations

Previously committed \$22.5 million USPS investment in Tulsa facility to move forward as part of 10-year Delivering for America plan to modernize the nation's aged and neglected postal network

No anticipated employee impacts with the decision to keep these operations at the Tulsa facility

The United States Postal Service (USPS) has announced plans to retain certain local mail processing operations at the Tulsa postal facility in Tulsa, OK. This decision to leave those operations in Tulsa is made possible due to a proposed operational strategy aimed at increasing efficiency, improving service quality, and saving USPS an additional \$3 billion per year nation-wide. This proposed strategy was outlined in <u>a recent notice</u> and pre-filing conference in a regulatory matter before the Postal Regulatory Commission. The significant savings generated by this proposed operational strategy would enable the Postal Service to absorb the cost of continuing to provide local cancellation service in Tulsa. As a result, the Postal Service would now not need to relocate local originating mail processing operations outside of the Tulsa facility. This ensures that mail being delivered from one address in Tulsa to another would not leave the region for processing. This update follows a previous USPS decision to shift local originating mail processing operations to the Oklahoma City Processing and Distribution Center (P&DC) in Oklahoma City, OK, in 2025.

The Tulsa facility will also see changes designed to boost its services, thanks to a previously announced USPS investment of \$22.5 million. These changes will not impact business mail entry, Post Office, station, and branch retail services. Once the facility becomes a Local Processing Center (LPC), it is expected to handle package mailing and shipping, letters, and flats. The LPC is also expected to offer express services and accept bulk and permit mail, further improving its delivery services.

"Our proposed operational strategy, which is currently under review by the PRC, will generate substantial savings for the Postal Service. This strategy provides a solution that will ensure our organization can cover the cost of local originating mail processing operations in the Tulsa facility," **said Postmaster General Louis DeJoy**. "Moreover, our Delivering for America plan is channeling \$22.5 million into upgrading the Tulsa facility. This investment goes beyond just enhancing the work environment for our employees. It's about equipping the facility with the necessary technology and resources to deliver top-notch service to the local community for the foreseeable future."

Proposed operational improvements and corresponding refinements within the current service standards will enable USPS to improve efficiency, save money, and sustain certain local originating mail processing at Tulsa facility

On August 22, the USPS began the regulatory process with the PRC, proposing operational improvements and refinements within current service standards. These enhancements aim to strengthen service reliability, increase cost efficiency, and boost overall productivity. The changes, which would take effect after this year's Election and Peak Season, will allow certain local originating mail processing operations to remain in Tulsa due to significant savings.

Earlier this year, the Tulsa processing facility was part of the Mail Processing Facility Reviews. The main objective of these reviews was to find cost efficiencies, primarily through transportation savings. By implementing the changes proposed in the notice to the PRC, the Postal Service intends to achieve further operational efficiencies and optimizations. These would be in addition to transportation savings but achieved through different strategies than those used in certain Mail Processing Facility Reviews.

If the regulatory process is successful, there will be no change to the location for certain local originating mail processing and cancellation operations in Tulsa. In simpler terms, single piece mail that is sent from Tulsa to be delivered in Tulsa will continue to be processed at its current location.

No anticipated employee impacts

The Postal Service initially anticipated staffing impacts due to the proposed move of certain local originating mail processing operations to the Oklahoma City P&DC. However, with the decision to keep these operations at the Tulsa facility, there would be no anticipated employee impacts.

This remains consistent with the stance taken in April, where no career layoffs were part of the initiative. In fact, as part of its investment strategy in the Tulsa facility, the Postal Service is focusing on enhancing package processing and shipping capacity. This could potentially lead to increased plant activity and a future need for additional staffing support.

USPS to invest up to \$22.5 million in Tulsa facility

As announced in April, 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.

In addition, the Tulsa LPC will 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 Tulsa LPC will have 181 delivery routes that are eligible to be serviced by BEVs.

Talking Points: Tulsa, OK Mail Processing Announcement

- The United States Postal Service (USPS) has announced plans to retain certain local mail processing operations at the Tulsa postal facility
- This decision to leave those operations in Tulsa is made possible due to a proposed operational strategy aimed at increasing efficiency, improving service quality, and saving USPS an additional \$3 billion per year nation-wide.
- This proposed strategy was outlined in a recent notice and pre-filing conference in a regulatory matter before the Postal Regulatory Commission.
- The significant savings generated by this proposed operational strategy would enable the Postal Service to absorb the cost of continuing to provide local cancellation service in Tulsa. As a result, the Postal Service would now not need to relocate local originating mail processing operations outside of the Tulsa facility.
- The Postal Service initially anticipated staffing impacts due to the proposed move of certain local originating mail processing operations to the Oklahoma City P&DC. However, with the decision to keep these operations at the Tulsa facility, there would be no anticipated employee impacts.
- The Tulsa facility will also see changes designed to boost its services, thanks to a previously announced USPS investment of \$22.5 million.
 - 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.
 - In addition, the Tulsa LPC will 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 Tulsa LPC will have 181 delivery routes that are eligible to be serviced by BEVs.

September 16, 2024

STAND-UP TALK

Proposed Operational Strategy to Save \$3 Billion Annually on a Nation-Wide Basis Will Enable Postal Service to Absorb the Costs of Certain Local Originating Mail Processing Operations so they can Remain in Hampden

Savings created by new strategy – which is under review by the Postal Regulatory Commission – will negate need to relocate Eastern Maine facility's local mail originating processing operations

Previously committed \$12.1 million USPS investment in Eastern Maine facility to move forward as part of 10-year Delivering for America plan to modernize the nation's aged and neglected postal network

No anticipated employee impacts with the decision to keep these operations at the Eastern Maine facility

The United States Postal Service (USPS) has announced plans to retain certain local originating mail processing operations at the Eastern Maine postal facility in Hampden, ME. This decision to leave those operations in Hampton is made possible due to a proposed operational strategy aimed at increasing efficiency, improving service quality, and saving USPS an additional \$3 billion per year nation-wide. This proposed strategy was outlined in <u>a recent notice</u> and pre-filing conference in a regulatory matter before the Postal Regulatory Commission. The significant savings generated by this proposed operational strategy would enable the Postal Service to absorb the cost of continuing to provide local cancellation service in Hampden. As a result, the Postal Service would now not need to relocate local originating mail processing operations outside of the Eastern Maine facility. This ensures that mail being delivered from one address in Hampden to another would not leave the region for processing. This update follows a previous USPS decision to shift local originating mail processing operations to the Southern Maine Processing and Distribution Center (P&DC) in Scarborough, ME, in 2025.

The Eastern Maine facility will also see changes designed to boost its services, thanks to a previously announced USPS investment of \$12.1 million. These changes will not impact business mail entry, Post Office, station, and branch retail services. Once the facility becomes a Local Processing Center (LPC), it is expected to handle package mailing and shipping, letters, and flats. The LPC is also expected to offer express services and accept bulk and permit mail, further improving its delivery services.

"Our proposed operational strategy, which is currently under review by the PRC, will generate substantial savings for the Postal Service. This strategy provides a solution that will ensure our organization can cover the cost of local originating mail processing operations in the Eastern Maine facility," **said Postmaster General Louis DeJoy**. "Moreover, our Delivering for America plan is channeling \$12.1 million into upgrading the Eastern Maine facility. This investment goes beyond just enhancing the work environment for our employees. It's about equipping the facility with the necessary technology and resources to deliver top-notch service to the local community for the foreseeable future."

Proposed operational improvements and corresponding refinements within the current service standards will enable USPS to improve efficiency, save money, and sustain certain local originating mail processing at Eastern Maine facility

On August 22, the USPS began the regulatory process with the PRC, proposing operational improvements and refinements within current service standards. These enhancements aim to strengthen service reliability, increase cost efficiency, and boost overall productivity. The changes, which would take effect after this year's Election and Peak Season, will allow certain local originating mail processing operations to remain in Hampden due to significant savings.

Earlier this year, the Eastern Maine processing facility was part of the Mail Processing Facility Reviews. The main objective of these reviews was to find cost efficiencies, primarily through transportation savings. By implementing the changes proposed in the notice to the PRC, the Postal Service intends to achieve further operational efficiencies and optimizations. These would be in addition to transportation savings but achieved through different strategies than those used in certain Mail Processing Facility Reviews.

If the regulatory process is successful, there will be no change to the location for certain local originating mail processing and cancellation operations in Eastern Maine. In simpler terms, single piece mail that is sent from Eastern Maine to be delivered in Eastern Maine will continue to be processed at its current location.

No anticipated employee impacts

The Postal Service initially anticipated staffing impacts due to the proposed move of local originating mail processing operations to the Southern Maine P&DC. However, with the decision to keep these operations at the Eastern Maine facility, there would be no anticipated employee impacts.

This remains consistent with the stance taken in April, where no career layoffs were part of the initiative. In fact, as part of its investment strategy in the Eastern Maine facility, the Postal Service is focusing on enhancing package processing and shipping capacity. This could potentially lead to increased plant activity and a future need for additional staffing support.

USPS to invest up to \$12.1 million in Eastern Maine facility

As announced in April, the Postal Service will invest up to \$12.1 million in the Eastern Maine LPC, which will result in expanded and streamlined package and mail processing and distribution capabilities for the facility. These investments include \$6.1 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 million will be made to locate a Single Induction Package Sorter into the facility.

In addition, the Eastern Maine LPC will 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 Eastern Maine LPC will have 75 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.

Talking Points: Eastern Maine Mail Processing Announcement

- The United States Postal Service (USPS) has announced plans to retain certain local mail processing operations at the Eastern Maine postal facility
- This decision to leave those operations in Hampden is made possible due to a proposed operational strategy aimed at increasing efficiency, improving service quality, and saving USPS an additional \$3 billion per year nation-wide.
- This proposed strategy was outlined in a recent notice and pre-filing conference in a regulatory matter before the Postal Regulatory Commission.
- The significant savings generated by this proposed operational strategy would enable the Postal Service to absorb the cost of continuing to provide local cancellation service in Hampden. As a result, the Postal Service would now not need to relocate local originating mail processing operations outside of the Eastern Maine facility.
- The Postal Service initially anticipated staffing impacts due to the proposed move of certain local originating mail processing operations to the Southern Maine P&DC. However, with the decision to keep these operations at the Eastern Maine facility, there would be no anticipated employee impacts.
- The Eastern Maine facility will also see changes designed to boost its services, thanks to a previously announced USPS investment of \$12.1 million.
 - These investments include \$6.1 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 million will be made to locate a Single Induction Package Sorter into the facility.
 - In addition, the Eastern Maine LPC will 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 Eastern Maine LPC will have 75 delivery routes that are eligible to be serviced by BEVs.

Talking Points: Fort Myers Mail Processing Announcement

- The United States Postal Service (USPS) has announced plans to retain certain local mail processing operations at the Fort Myers postal facility
- This decision to leave those operations in Fort Myers is made possible due to a proposed operational strategy aimed at increasing efficiency, improving service quality, and saving USPS an additional \$3 billion per year nation-wide.
- This proposed strategy was outlined in a recent notice and pre-filing conference in a regulatory matter before the Postal Regulatory Commission.
- The significant savings generated by this proposed operational strategy would enable the Postal Service to absorb the cost of continuing to provide local cancellation service in Fort Myers. As a result, the Postal Service would now not need to relocate local originating mail processing operations outside of the Fort Myers facility.
- The Postal Service initially anticipated staffing impacts due to the proposed move of certain local originating mail processing operations to the Tampa P&DC. However, with the decision to keep these operations at the Fort Myers facility, there would be no anticipated employee impacts.
- The Fort Myers facility will also see changes designed to boost its services, thanks to a previously announced USPS investment of \$26.3 million.
 - These investments include \$12.3 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 \$9 million will be made to locate a Flex Rover Sorter, a High-Speed Tray Sorter, and two Single Induction Package Sorters into the facility.
 - In addition, the Fort Myers LPC will 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 Fort Myers LPC will have 161 delivery routes that are eligible to be serviced by BEVs.

September 16, 2024

STAND-UP TALK

Proposed Operational Strategy to Save \$3 Billion Annually on a Nation-Wide Basis Will Enable Postal Service to Absorb the Costs of Certain Local Originating Mail Processing Operations so they can Remain in Fort Myers

Savings created by new strategy – which is under review by the Postal Regulatory Commission – will negate need to relocate Fort Myers facility's local mail originating processing operations

Previously committed \$26.3 million USPS investment in Fort Myers facility to move forward as part of 10-year Delivering for America plan to modernize the nation's aged and neglected postal network

No anticipated employee impacts with the decision to keep these operations at the Fort Myers facility

The United States Postal Service (USPS) has announced plans to retain certain local mail originating processing operations at the Fort Myers postal facility in Fort Myers, FL. This decision to leave those operations in Fort Myers is made possible due to a proposed operational strategy aimed at increasing efficiency, improving service quality, and saving USPS an additional \$3 billion per year nation-wide. This proposed strategy was outlined in <u>a recent notice and pre-filing conference in a regulatory matter before</u> the Postal Regulatory Commission, The significant savings generated by this proposed operational strategy would enable the Postal Service to absorb the cost of continuing to provide local cancellation service in Fort Myers. As a result, the Postal Service would now not need to relocate local originating mail processing operations outside of the Fort Myers facility. This ensures that mail being delivered from one address in Fort Myers to another would not leave the region for processing. This update follows a previous USPS decision to shift local originating mail processing operations to the Tampa Processing and Distribution Center (P&DC) in Tampa, FL, in 2025.

The Fort Myers facility will also see changes designed to boost its services, thanks to a previously announced USPS investment of \$26.3 million. These changes will not impact business mail entry, Post Office, station, and branch retail services. Once the facility becomes a Local Processing Center (LPC), it is expected to handle package mailing and shipping, letters, and flats. The LPC is also expected to offer express services and accept bulk and permit mail, further improving its delivery services.

"Our proposed operational strategy, which is currently under review by the PRC, will generate substantial savings for the Postal Service. This strategy provides a solution that will ensure our organization can cover the cost of local originating mail processing operations in the Fort Myers facility," **said Postmaster General Louis DeJoy**. "Moreover, our Delivering for America plan is channeling \$26.3 million into upgrading the Fort Myers facility. This investment goes beyond just enhancing the work environment for our employees. It's about equipping the facility with the necessary technology and resources to deliver top-notch service to the local community for the foreseeable future."

Proposed operational improvements and corresponding refinements within the current service standards will enable USPS to improve efficiency, save money, and sustain certain local originating mail processing at Fort Myers facility

On August 22, the USPS began the regulatory process with the PRC, proposing operational improvements and refinements within current service standards. These enhancements aim to strengthen service reliability, increase cost efficiency, and boost overall productivity. The changes, which would take effect after this year's Election and Peak Season, will allow certain local originating mail processing operations to remain in Fort Myers due to significant savings.

Earlier this year, the Fort Myers processing facility was part of the Mail Processing Facility Reviews. The main objective of these reviews was to find cost efficiencies, primarily through transportation savings. By implementing the changes proposed in the notice to the PRC, the Postal Service intends to achieve further operational efficiencies and optimizations. These would be in addition to transportation savings but achieved through different strategies than those used in certain Mail Processing Facility Reviews.

If the regulatory process is successful, there will be no change to the location for certain local originating mail processing and cancellation operations in Fort Myers. In simpler terms, single piece mail that is sent from Fort Myers to be delivered in Fort Myers will continue to be processed at its current location.

No anticipated employee impacts

The Postal Service initially anticipated staffing impacts due to the proposed move of local originating mail processing operations to the Tampa P&DC. However, with the decision to keep these operations at the Fort Myers facility, there would be no anticipated employee impacts.

This remains consistent with the stance taken in April, where no career layoffs were part of the initiative. In fact, as part of its investment strategy in the Fort Myers facility, the Postal Service is focusing on enhancing package processing and shipping capacity. This could potentially lead to increased plant activity and a future need for additional staffing support.

USPS to invest up to \$26.3 million in Fort Myers facility

As announced in April, the Postal Service will invest up to \$26.3 million in the Fort Myers LPC, which will result in expanded and streamlined package and mail processing and distribution capabilities for the facility. These investments include \$12.3 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 \$9 million will be made to locate a Flex Rover Sorter, a High-Speed Tray Sorter, and two Single Induction Package Sorters into the facility.

In addition, the Fort Myers LPC will 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 Fort Myers LPC will have 161 delivery routes that are eligible to be serviced by BEVs.