

The Power of Direct:
Relevance. Responsibility. Results.

DMA 
Direct Marketing Association

Postal Perspectives

Webinar Series

September 27th

Pat Donahoe

Postmaster General of the United States

October 13th

Darrell Issa

Chairman, House Oversight & Government Reform Committee

October 31st

John Kilvington

Democratic Director, Senate Postal Subcommittee

DMA:2011 – Monday October 3rd

David E. Williams

Vice President, Network Operations Management - USPS

Postal Perspectives



David E. Williams

Vice President, Network Operations Management



Sharon Owens

Manager, Industry Engagement & Outreach



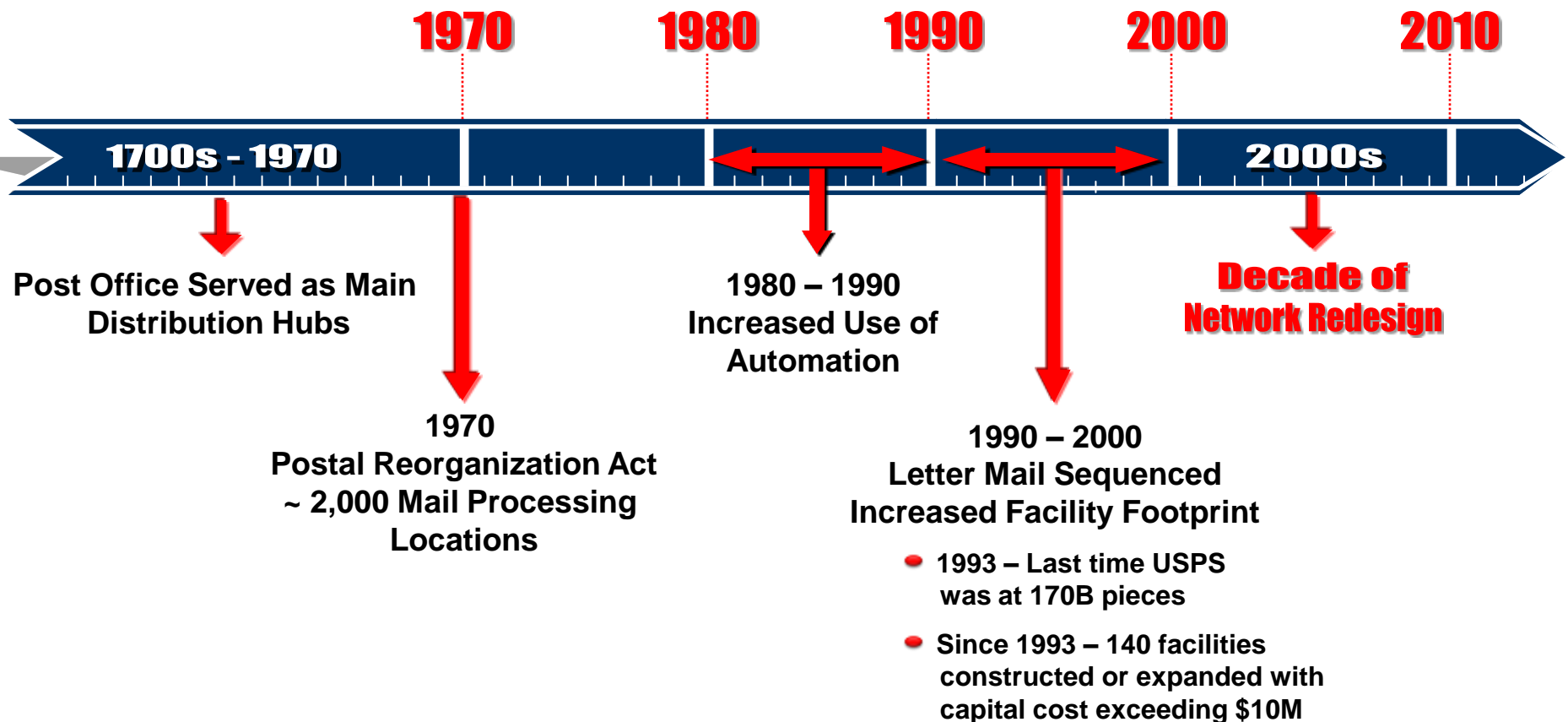
**Congress must remove USPS' shackles
and let it operate as a real business.**

**Take DMA Action - Today!
dmaaction.org**

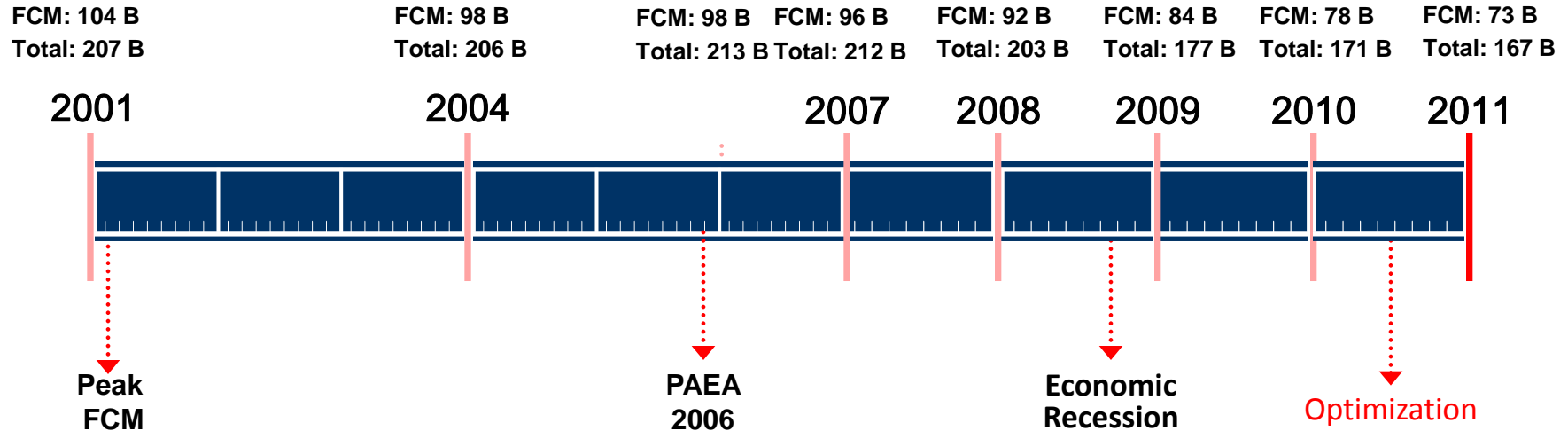
Network Optimization Concept

- Network Evolution
- Volume Realities
- Plan for Change
- Next Steps

USPS Network Evolution

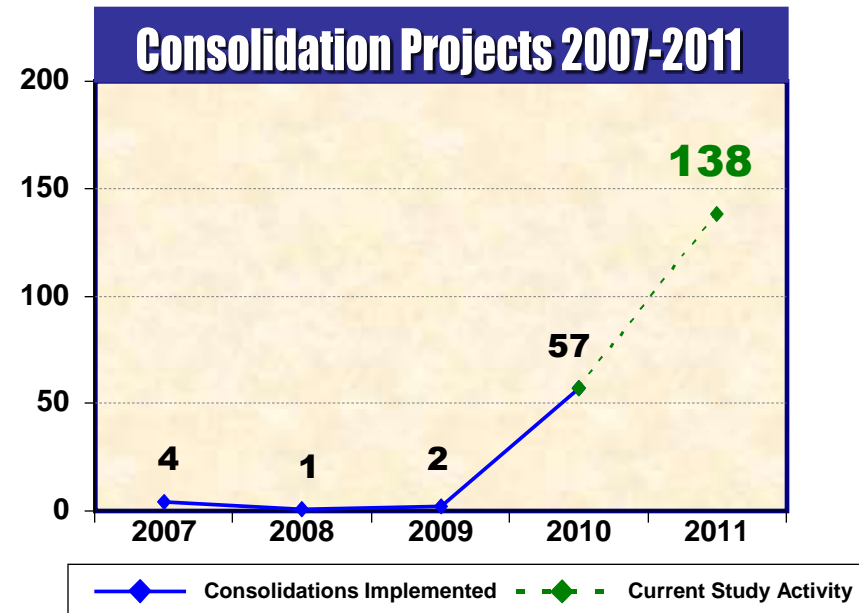


A Decade of Network Redesign



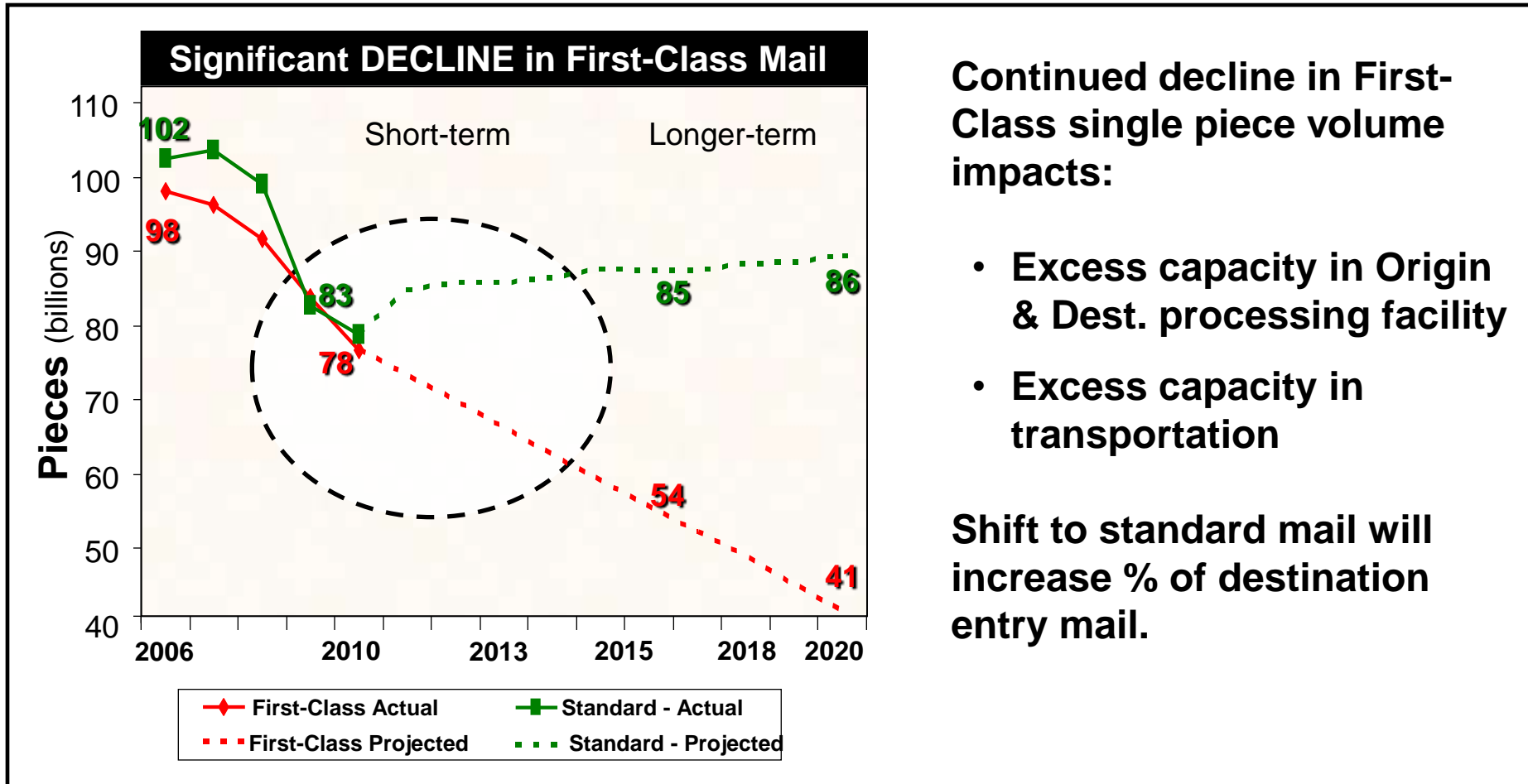
Continued First Class Decline

- Down ~ 25% since 2006
- Single Piece Down ~ 35% since 2006
- Plant network - Excess Capacity
 - Unprecedented increase in AMP activity
 - Origin Consolidation
 - Destination Consolidation
 - Minor Service Standard Adjustments within current business rules



- Network Evolution
- Volume Realities
- Plan for Change
- Next Steps

Network Design – Volume Reality



Source: USPS Revenue & Volume Forecasting

Beyond 2011 Network Realities

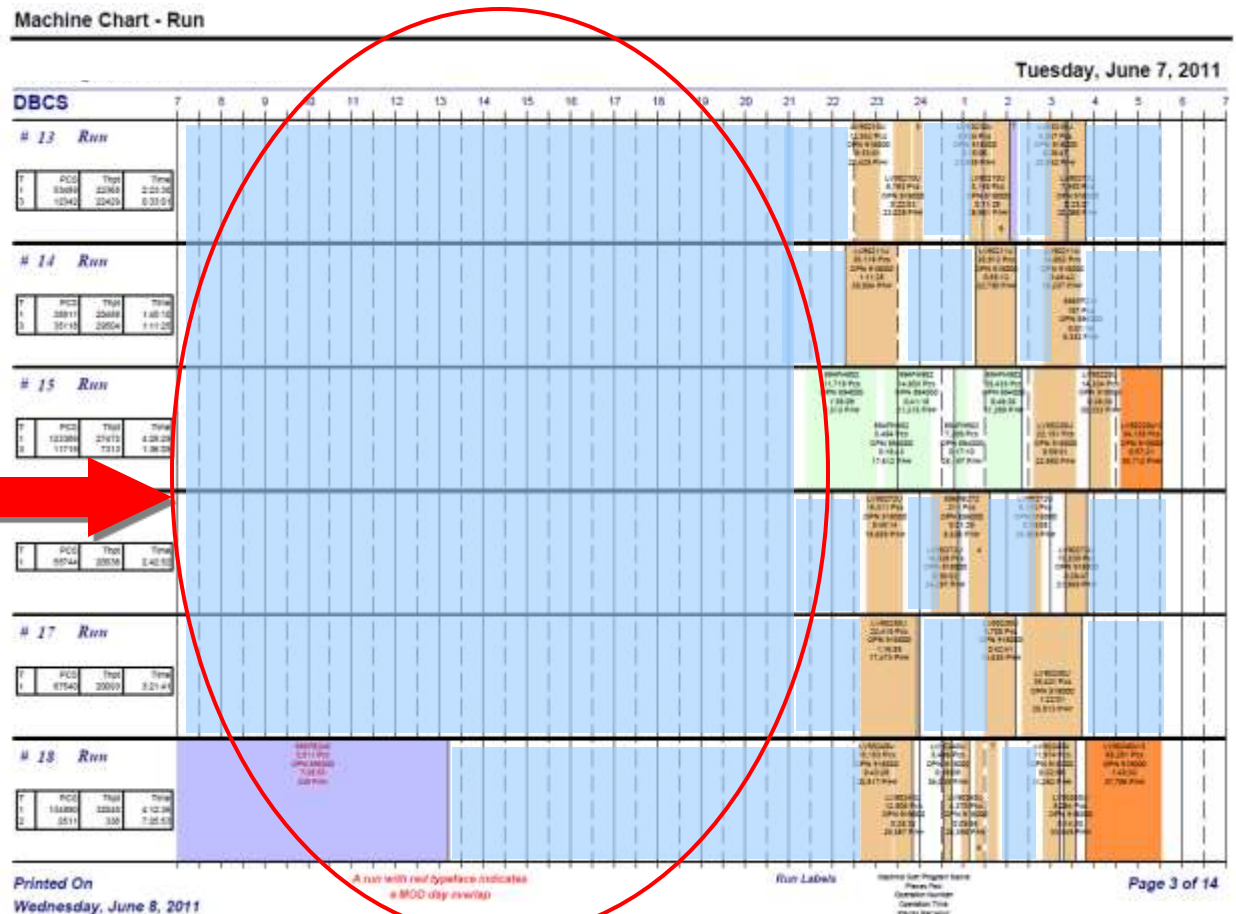
- First-Class Mail drives the network requirements
 - Current operating windows in place support overnight service
- Total First-Class contribution will continue to erode and will not support the network infrastructure moving forward
- First Class Network Redesign is necessary to develop an infrastructure to support the mail volume realities of the future

- Network Evolution
- Volume Realities
- Plan for Change
- Next Steps

- Define the most efficient mail processing network and infrastructure to match the current and projected workload
 - Determine optimal plant locations based on volume and current facility infrastructure
 - Develop an operating plan to fully utilize equipment based on a full operating day
 - Determine service standards based on the redesigned network

Plan for Change – Current Operations

- Network infrastructure is driven by operating windows which are constrained to meet current First-Class Mail overnight service commitments

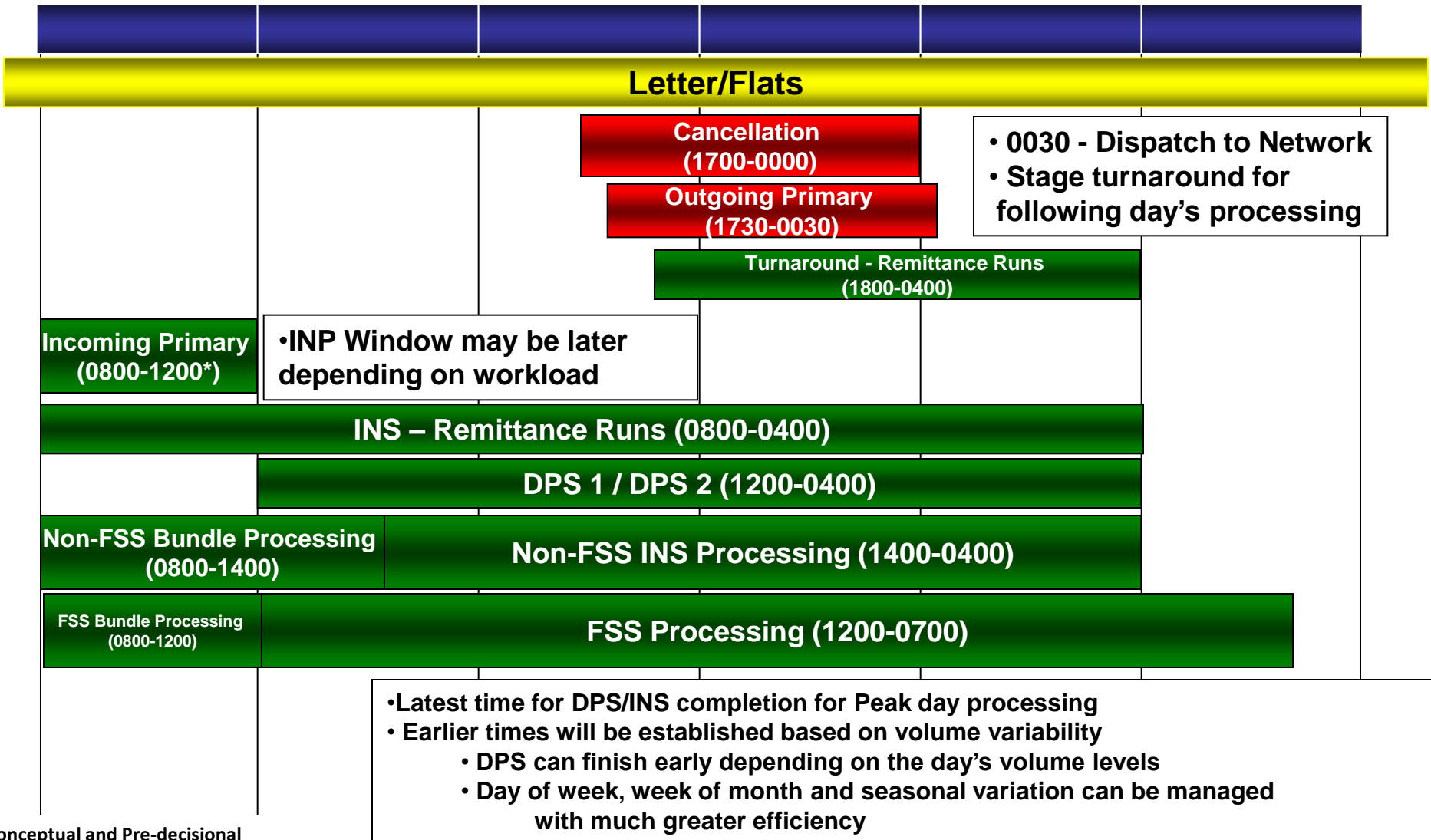


**IDLE
CAPACITY**



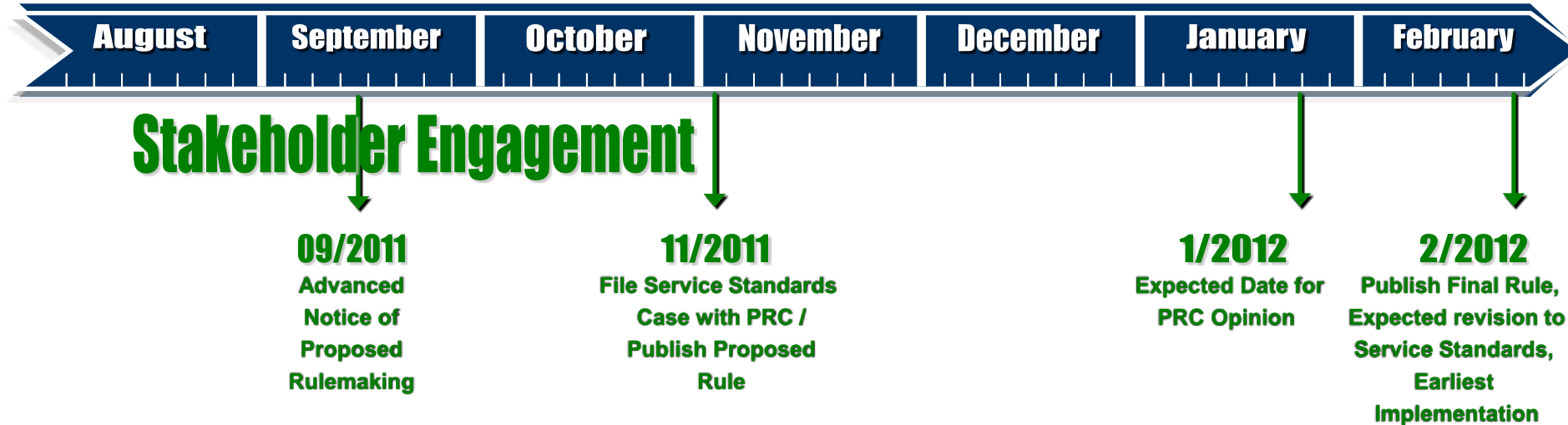
- Revise service standards and entry times to realize full facility consolidation opportunities through operating window changes
 - Longer processing windows allows significant equipment and facility consolidation
- Network impact is significant
- Reduce network transportation as a result of facility consolidation

0800 1200 1600 2000 2400 0400 0800



- Network Evolution
- History of Network Redesign
- Plan for Change
- Next Steps

TIME LINE - NETWORK OPTIMIZATION



Questions and additional comments, please
contact: industryfeedback@usps.com

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Thank You!

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