

POSTAL NEWS

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USPS to Improve Mail Operations at Wilmington 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 \$9 million in 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

Wilmington, DE — 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 Wilmington Processing and Distribution Center (P&DC) in Wilmington,

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, the business case supports transferring mail processing outgoing operations to the Philadelphia P&DC in Philadelphia, PA. Currently, a majority of mail and packages are destined outside the Wilmington area to the rest of the world.

The investment in the Wilmington 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 improvements for the Wilmington facility will result in up to \$9 million in investments for modernization efforts and deferred maintenance. These investments will result in expanded and streamlined package processing and distribution capabilities in the local market and new workplace amenities for USPS employees such as new lighting, as well as renovated bathrooms and breakrooms.

The future Wilmington LPC and Philadelphia 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.

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.

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 Wilmington facility is converted to an LPC, it is anticipated that it will continue to process destinating packages, letters and flats. The LPC is also expected to continue to offer express services and business mail entry.

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.

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

On October 18, 2023, we notified you that we were beginning a Mail Processing Facility Review (MPFR) at the Wilmington Processing and Distribution Center (P&DC) in Wilmington, DE to see if it would make sense to transfer some mail operations into the Philadelphia P&DC in Philadelphia, PA.

The results of the facility review support keeping the Wilmington facility open and modernized as a Local Processing Center (LPC). Additionally, the business case supports transferring mail processing outgoing operations to the Philadelphia P&DC. Currently, a majority of mail and packages are destined outside the Wilmington 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 Wilmington 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 improvements for the Wilmington facility will result in up to \$9 million in investments for modernization efforts and deferred maintenance. These investments will result in expanded and streamlined package processing and distribution capabilities in the local market and new workplace amenities for USPS employees such as new lighting, as well as renovated bathrooms and breakrooms.

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 Wilmington facility will maintain the following destinating operations once converted to the LPC:

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

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.

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

- 13 Craft
- 6 Management

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

The future Wilmington LPC and Philadelphia 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.

We will keep you informed about any future developments regarding this MPFR implementation.