

Stand-Up Talk

Jan. 10, 2024

Notice of Intent: Mail Processing Facility Review South Jersey P&DC

As you know, there is a \$40 billion investment strategy to upgrade and improve the Postal processing, transportation, and delivery networks -- including the facilities we work in – this is part of our 10-year strategic Delivering for America (DFA) Plan.

The DFA Plan includes initiatives 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 will elevate 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.

We at this facility are part of this investment plan. Included in this plan is an evaluation of current operations and potential future uses here at the South Jersey Processing and Distribution Center (P&DC).

This specific facility review will inform the best allocation of resources and strategies to improve customer service and to achieve significant cost savings through operational precision and efficiency. Business mail entry, Post Office, station, and branch retail services are not expected to change, and delivery services will be unaffected throughout this review. The evaluation is a first step in the Postal Service review and investment process in this facility and will not result in this facility's closure or career employee layoffs.

The review will evaluate the following criteria:

- a. Whether efficiency could be increased by transferring some mail processing operations currently performed at this facility to the Philadelphia, PA P&DC.
- b. Whether efficiency can be increased and service improved, regardless of any determination to transfer some mail processing operations out of this facility, by investing in this facility to redesign mail processing operations to accommodate changing mail products and mail flow with modern operating strategies, equipment and improved employee amenities.
- c. Whether efficiency can be improved and/or service enhanced, regardless of any determination to transfer some mail processing operations out of this facility, by expanding operations at the facility including adding Sorting & Delivery Center functions currently being deployed throughout the nation, incorporating expanded retail functions currently being evaluated and deployed throughout the nation, and/or increasing local package delivery functions including local transportation initiatives supporting new products being introduced.

While it may be determined that moving some mail processing operations from this facility is a good business decision, it is highly likely under those circumstances that this facility will be modernized and repurposed as a Local Processing Center, a Sorting & Delivery Center, or both, consistent with the broader network redesign outlined in the DFA Plan. Any such repurposing will result in a revitalized, modernized, and upgraded facility with improved employee amenities and a better working environment.

Throughout this process, there will be no change in local mail service. The local postmark will still be available at local Post Offices.

Public input will be considered as part of the review. Members of the local community may submit comments at <https://www.surveymonkey.com/r/mpfr-south-jersey-nj>. If the facility review supports the business case for change to the facility's processing operations, a summary of the review will be posted on about.usps.com at least one week prior to the public input meeting. Thereafter, a public input meeting will be held to allow the local community to provide their additional feedback and perspectives on the Initial Findings of the review.

The Postal Service will work closely with its unions and management associations throughout the facility review and will continually monitor the impact of any changes that are implemented and will adjust plans as necessary and appropriate.

Thank you for your attention. I will keep you updated as we move through the facility review process and additional initiatives to modernize our postal network.

MAIL PROCESSING FACILITY REVIEW FREQUENTLY ASKED QUESTIONS

1. Why is USPS conducting a review of this facility?

This review is part of a \$40 billion investment strategy to upgrade and improve processing, transportation, delivery networks and employee experiences across the country. The South Jersey Processing and Distribution Center (P&DC) facility has been selected as a candidate for evaluation of its current operations and potential future uses that may lead to overall modernization and enhancement initiatives at the facility. The review will not result in this facility's closure or career employee layoffs.

2. What will the MPFR evaluate?

In connection with the review, the Postal Service will evaluate the following:

- a. Whether efficiency could be increased by transferring some mail processing operations currently performed at the South Jersey P&DC to the Philadelphia, PA P&DC in Philadelphia, PA. A significant percentage of the mail collected in South Jersey will travel across our wider transportation and processing network over significant distances to reach their final destinations. Mail and packages destined for outside the South Jersey area may receive better service and be more cost effectively distributed by aggregating it with mail and packages from other areas going to the same places that will likewise utilize the wider postal network and be transported significant distances from where the mail originated.
- b. Whether efficiency can be increased and service improved, regardless of any determination to transfer some mail processing operations out of the South Jersey facility, by investing in the South Jersey facility to redesign mail processing operations to accommodate changing mail products and mail flow with modern operating strategies, equipment and improved employee amenities.
- c. Whether efficiency can be improved and/or service enhanced, regardless of any determination to transfer some mail processing operations out of the South Jersey facility, by expanding operations at the facility including adding Sorting & Delivery Center functions currently being deployed throughout the nation, incorporating expanded retail functions currently being evaluated and deployed throughout the nation, and/or increasing local package delivery functions including local transportation initiatives supporting new products being introduced.

While it may be determined that moving some mail processing operations from the South Jersey P&DC is a good business decision, it is highly likely under those circumstances that the South Jersey facility will be modernized and repurposed as a Local Processing Center, a Sorting & Delivery Center, or both, consistent with the broader network redesign outlined in the DFA Plan. Any such repurposing will result in a revitalized, modernized, and upgraded facility with improved employee amenities and a better working environment.

3. When will a final decision be announced?

The studies are just beginning, and the Postal Service anticipates communicating initial findings in the coming month or two.

4. What does the facility review mean for local employees?

The review will not result in career employee layoffs. Our DFA plan is focused on improving the workplace experience for all employees by investing in facility conditions – including better space and lighting. Throughout the review process, we will continue to communicate regularly with the unions and management associations to support local employees as appropriate.

5. How can the public provide input in the process?

Members of the local community may submit comments at <https://www.surveymonkey.com/r/mpfr-south-jersey-nj>. If the facility review supports the business case for change to the facility's processing operations, a summary of the MPFR will be posted on about.usps.com at least one week prior to the public input meeting. Thereafter, Postal Service representatives will hold a public input meeting to allow members of the local community to provide their additional feedback and perspectives on the Initial Findings of the MPFR.

6. How will local Post Office or retail operations be impacted by the review process?

The purpose of conducting this review and implementing our 10-year strategic plan is to improve service delivery and our overall retail experience. Business mail entry, Post Office, station, and branch retail services are not expected to change, and delivery services will not slow down as a result of this review.

7. What would repurposing this facility look like?

While it may be determined that moving some mail processing operations from this facility is a good business decision, it is highly likely under those circumstances that the facility will be modernized and repurposed as a Local Processing Center, a Sorting & Delivery Center, or both, consistent with the broader network redesign outlined in the DFA Plan. Any such repurposing will result in a revitalized, modernized, and upgraded facility with improved employee amenities and a better working environment.

8. What is a Local Processing Center (LPC)?

Local Processing Centers are critical nodes in our new end-to-end network model. They are the connective node between Regional Processing & Distribution Centers (RPDCs) to Sorting & Delivery Centers – and will ensure a streamlined flow of mail and packages in a logical and integrated manner. As an LPC, the facility amenities – including lighting, space and bathrooms – would be improved.

9. What is a Sorting & Delivery Center (S&DC)?

Within a region, S&DCs will expand our network reach. S&DCs will aggregate delivery units into fewer, larger, and centrally located sites to provide faster and more reliable

mail and package delivery over a greater geographic area, as compared to traditional delivery units.

As with RPDCs, S&DCs will be repurposed existing facilities as well as new buildings. In each S&DC, we will install package sorting equipment to reduce manual handlings and improve throughput. Employee amenities such as lighting, bathrooms, and breakrooms, will also be improved.

We have opened 29 S&DCs since the DFA plan launched. We plan to open another 38 in coming months.

10. What are the long-term benefits of implementing the Delivering for America Plan and modernizing the postal network?

There are many benefits derived from realizing the Delivering for America 10-year Plan. Implementation of the plan will lead to a better everything including: better service performance for our customers; better employee morale and retention rates; better facility conditions; a better carbon footprint; better sequencing of mail and packages; better opportunities for our customers to reach a larger population in less time, and overall, a better customer experience.