**April 23, 2024**

**STAND-UP TALK**

**DECISION TO PROCEED ON SOUTH JERSEY 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 South Jersey Processing and Distribution Center (P&DC) in Bellmawr, NJ, 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 South Jersey 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 South Jersey 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 South Jersey 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 million in the South Jersey LPC, which will result in expanded and streamlined package and mail processing and distribution capabilities for the facility.** These investments include $14.5 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 $2.5 million will be made to locate a 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 South Jersey 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 South Jersey LPC will have 295 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 Philadelphia P&DC. We anticipate this to impact the following career positions at the South Jersey P&DC:

* 54 Craft
* 6 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 South Jersey 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 South Jersey 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.