



Network Rationalization Phase 2 Deferment Fact Sheet

On May 27, 2015, the Postal Service announced its decision to defer many of the mail processing plant consolidations scheduled to take place through the final stage of its Network Rationalization Initiative (NRI).

The decision to extend implementation of the next phase of the initiative was based upon operational considerations to ensure the Postal Service continues to provide prompt, reliable and predictable service consistent with the published service standards. Deferred consolidation activities will resume in 2016.

NRI Phase 2 consolidations consist of 82 facilities. Of those:

- 13 facilities were consolidated prior to May 1, 2015. Of these, 12 continue to provide other services, such as retail, delivery, hub and/or package processing.
- 4 facilities will continue to consolidate through July 2015 due to various operational considerations — Houston TX P&DC, Industry CA P&DC, Queens NY P&DC, and Asheville NC P&DF.
- 65 facilities will be consolidated when deferred activities resume.

Impacted Facilities

The 65 facilities where NRI consolidations have been deferred are:

<u>Facility</u>	<u>State</u>	<u>Facility</u>	<u>State</u>	<u>Facility</u>	<u>State</u>
Huntsville P&DF	AL	Lansing P&DC	MI	Tulsa P&DC	OK
Tucson P&DC	AZ	Iron Mountain P&DF	MI	Eugene P&DF	OR
North Bay P&DC	CA	Mankato P&DF	MN	Bend CSMPC	OR
Redding CSMPC	CA	Bemidji CSMPC	MN	Erie P&DF	PA
Eureka CSMPC	CA	Duluth P&DF	MN	Scranton PA P&DF	PA
Colorado Springs P&DC	CO	Saint Cloud P&DF	MN	Lancaster P&DF	PA
S. Connecticut P&DC	CT	Cape Girardeau P&DF	MO	Dakota Central P&DF	SD
Stamford P&DC	CT	Springfield MO P&DF	MO	Chattanooga P&DC	TN
Manasota P&DC	FL	Grenada CSMPC	MS	Jet Cove Annex	TN
Mid-Florida P&DC	FL	Gulfport P&DF	MS	Abilene CSMPC	TX
Gainesville P&DC	FL	Hattiesburg CSMPC	MS	Beaumont P&DF	TX
Augusta P&DF	GA	Rocky Mount P&DF	NC	Corpus Christi P&DC	TX
Pocatello ID CSMPC	ID	Fayetteville NC Annex	NC	Provo CSMPC	UT
Fox Valley P&DC	IL	Fayetteville P&DC	NC	Norfolk VA P&DC	VA
Muncie P&DF	IN	Minot CSMPC	ND	Roanoke P&DC	VA
South Bend P&DC	IN	Norfolk NE P&DF	NE	Seattle WA East DDC	WA
Gary P&DC	IN	Grand Island P&DF	NE	Tacoma P&DC	WA
Lexington P&DC	KY	Mid-Hudson P&DC	NY	Wenatchee CSMPC	WA
Campton CSMPC	KY	Akron P&DC	OH	Eau Claire P&DF	WI
Paducah P&DF	KY	Dayton P&DC	OH	Wausau P&DF	WI
New Orleans P&DC	LA	Toledo P&DF	OH	Rock Springs CSMPC	WY
Central Mass P&DC	MA	Youngstown P&DF	OH		

Employees

There are approximately 6,600 impacted employees affected by the deferred consolidations. Impacted employees have been notified and will once again receive notification 60 days prior to resuming consolidation at any facility.

Deferred Savings

Once complete, NRI will result in estimated annual savings of \$2.1 billion, an amount which includes savings from greater efficiencies made possible by changes to service standards and reducing the number of processing facilities to meet the needs of actual mail volume.

As planned, NRI Phase 2 will result in annual savings of \$1.2 billion, once fully implemented. The deferment will extend the timeline before full savings can be achieved, though the majority of planned savings are attributable to other Phase 2 changes, which are not affected by this announcement. Deferring consolidations will result in estimated forgone savings of \$21 million in fiscal year (FY) 2015 and \$164 million in FY 2016.

The Postal Service will continue to implement network efficiencies and pursue service performance improvements as it has always done.

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