

North Houston P&DC Update

Operational Execution

MTAC

October 29, 2019

**Shaun Mossman
Area Vice President, Southern Area**

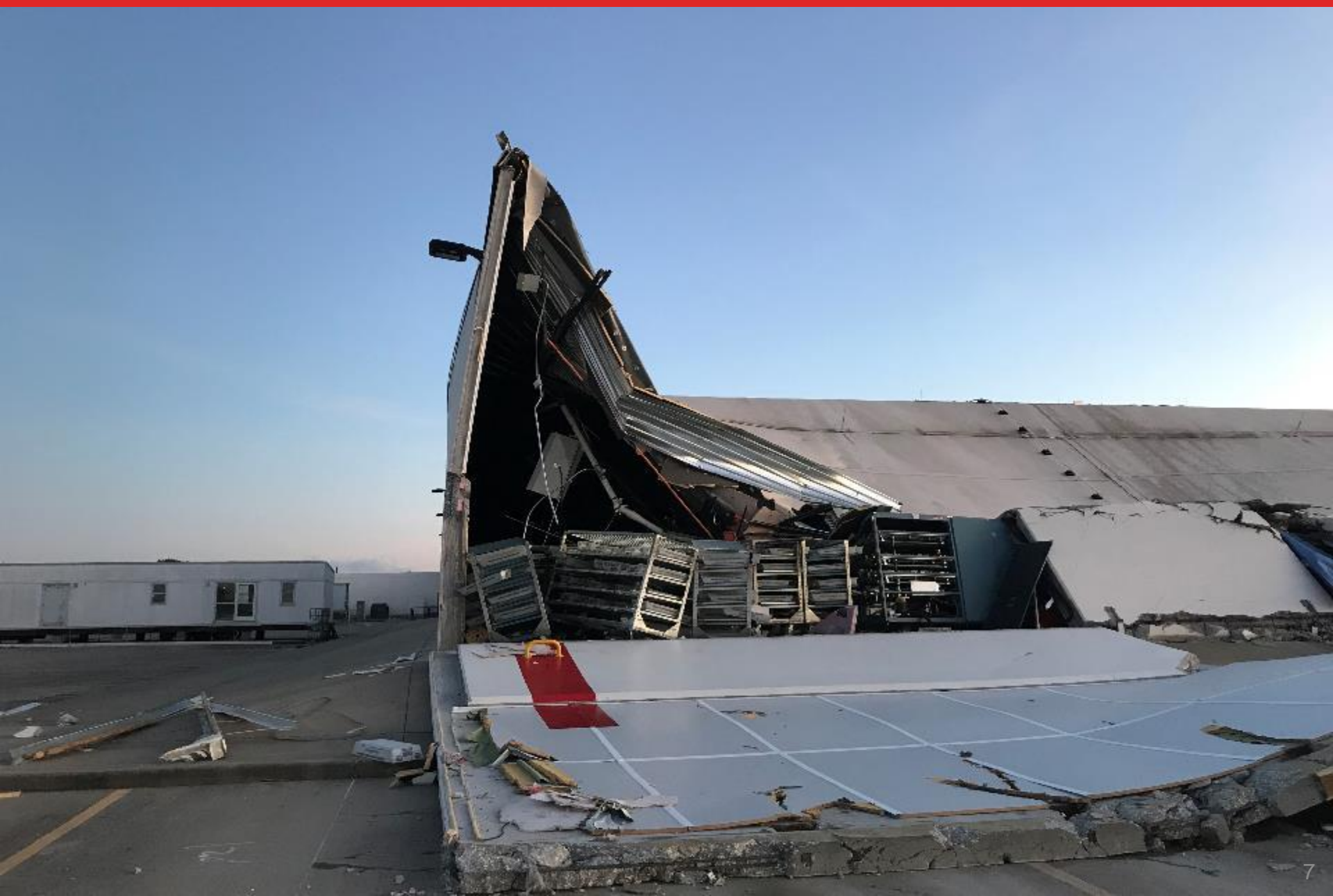
- 9/19: All processing facilities in Houston District closed for operations
 - Ground water intrusion in Beaumont
 - Partial roof and wall collapse at N. Houston P&DC
 - Rain intrusion (broken skylight) N. Houston Annex
- 17 employees sheltered in place in Beaumont
- 10:06 AM: The North Houston P&DC experienced a partial roof and wall collapse in the NE corner of the expansion
- Three (3) N. Houston P&DC employees suffered minor injuries due to roof and wall collapse
- 100% of employees on the clock accounted for within 1 hour

- 895K Square Feet Facility
- 1 Annex
- 1,849 employees
- Average Daily Volume 16.2M
 - Letters 15.2M
 - Flats 840K
 - Packages 400K
- Equipment sets (prior to impacts)
 - 68 Delivery Barcode Sorters
 - 10 Advanced Facer Canceler Systems
 - 8 Automated Flat Sorter Machines
 - 3 Automated Package & Bundle sorters
 - 2 Automated Package Processing Systems
 - 1 Flat Sorter Sequencing Machine
 - 1 Small Packaging Sorting System
 - 1 Low Cost Reject Encoding Machine













- The collapse impacted approximately 15,000 SF of the 320,000 SF expansion area
- Rainwater intrusion and a broken 6" fire sprinkler line flooded both the expansion and a large part of the original building
- Expansion equipment sets
 - 68 DBCS
 - 2 High Speed Tray Sorters
 - 33 Dock Doors
- Water extraction and clean-up of the original building were started on 9/20. The original building was brought back on line on 9/22
- 9/20: Redirection plan for air and surface (Packages, Letters, Flats) was implemented.
- 9/22: Package and Flat Processing resumes in N. Houston P&DC

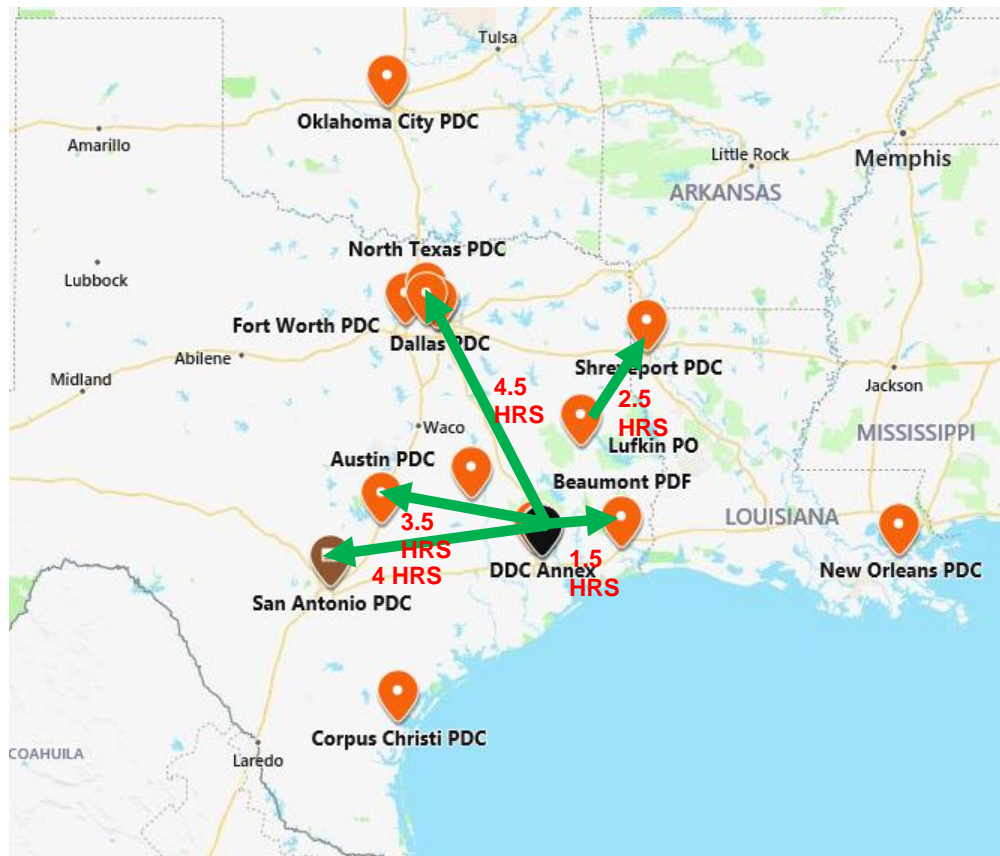
North Houston COOP Offload Plan

The Houston District has 3 processing facilities:

- North Houston P&DC
- North Houston Annex
- Beaumont P&DC
- Peak Annex lease signed and activated two (2) months early

Offload Processing Facilities

- Southern Area STC- Incoming separations & Marketing Letter drop shipments
- NTX- Primary Processing
- Dallas NDC- HSTS LV sort for Marketing trays
- Dallas P&DC- DPS Processing
- Fort Worth P&DC- DPS Processing
- San Antonio- Outgoing Primary processing/DPS Processing
- Austin- Outgoing Primary processing/DPS Processing
- Shreveport- 759 collections and DPS Processing
- Oklahoma City - PARS/FPARS & Marketing DSCF & DNDC Letters
- Corpus Christi - DPS Processing
- Beaumont – DPS Processing
- New Orleans – Outgoing Manual Letters
- Amarillo – DPS Processing
- Lubbock – DPS Processing



- **Congressional, Customer, Union and Management Updates**
- Congressional Updates
 - Congressional briefing sheet issued daily 9/20 – 9/25
 - TX Congressional on-site briefing and tour 10/2
 - Weekly congressional briefing sheet provided beginning 10/3 through 10/28; now on ad hoc basis
- Industry Updates
 - Four (4) industry alerts provided 9/19,9/20,9/22 and 9/23
 - Southern Area mailer webinar conducted by MOS 9/24
 - National industry webinar conducted 10/7,10/15, 10/21 and 10/22
- Union and Management Briefings Daily
 - In-person briefing and tour of original structure 9/21
 - In-person briefings 10/2 and 10/11
 - In-person re-entry briefing & tour 10/15

- Demising wall to cordon off the collapsed area has been completed
- Shoring and bracing completed 10/14
- The undamaged portion of the building was returned to operations 10/15
- Estimated completion of rebuilding the collapsed area is approximately the end of December 2019
- Reason for failure is still under study by both contractor and USPS forensic engineers





- Expansion recovery team currently on site
 - Lost 12 DBCS (4 machines total loss/8 removed for rebuild)
 - Complete
 - Extending machines to 270 and 302
 - Complete
 - Updated all RPGs DPS sort plans with 56 DBCS
 - Complete
 - Moving three (3) phase 6 machines to Beaumont for contingency
 - Move complete and rebuild underway
- Re-entry plan is metered
 - Resume full outgoing operations 10/23
 - Complete
 - Redirect Marketing Mail 10/24
 - Complete
 - Resume full DPS processing 10/25
 - Complete

- National webinar update vs. Area
- Redirect of drop shipment loads enroute
 - Include in Industry Alert where to redirect drops already enroute.
- Validate redirect (FAST) site is available
 - Redirect site was not available in FAST.
- Special handling bin flows
 - Detailed instructions for flows between offload sites.
- Destination NDC off loads
 - Better utilization of NDC equipment sets.