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Key strategic goals

95%

performance target for on-time delivery across mail and shipping product classes.

\$40 billion

capital investments in service, people, and infrastructure over the next ten years.



Provide new products and services and digital experiences



Establish service standards that foster service excellence



Establish a stable and empowered non-career workforce



Advance sustainability goals of reducing carbon footprint



Implement a best-in-class mail and package processing infrastructure



Implement a best-in-class retail and delivery operations network



Apply fair and flexible pricing strategies



Generate enough revenue to cover operating costs and make necessary investments



Optimize surface and air transportation networks



Design and execute a fully aligned organizational structure



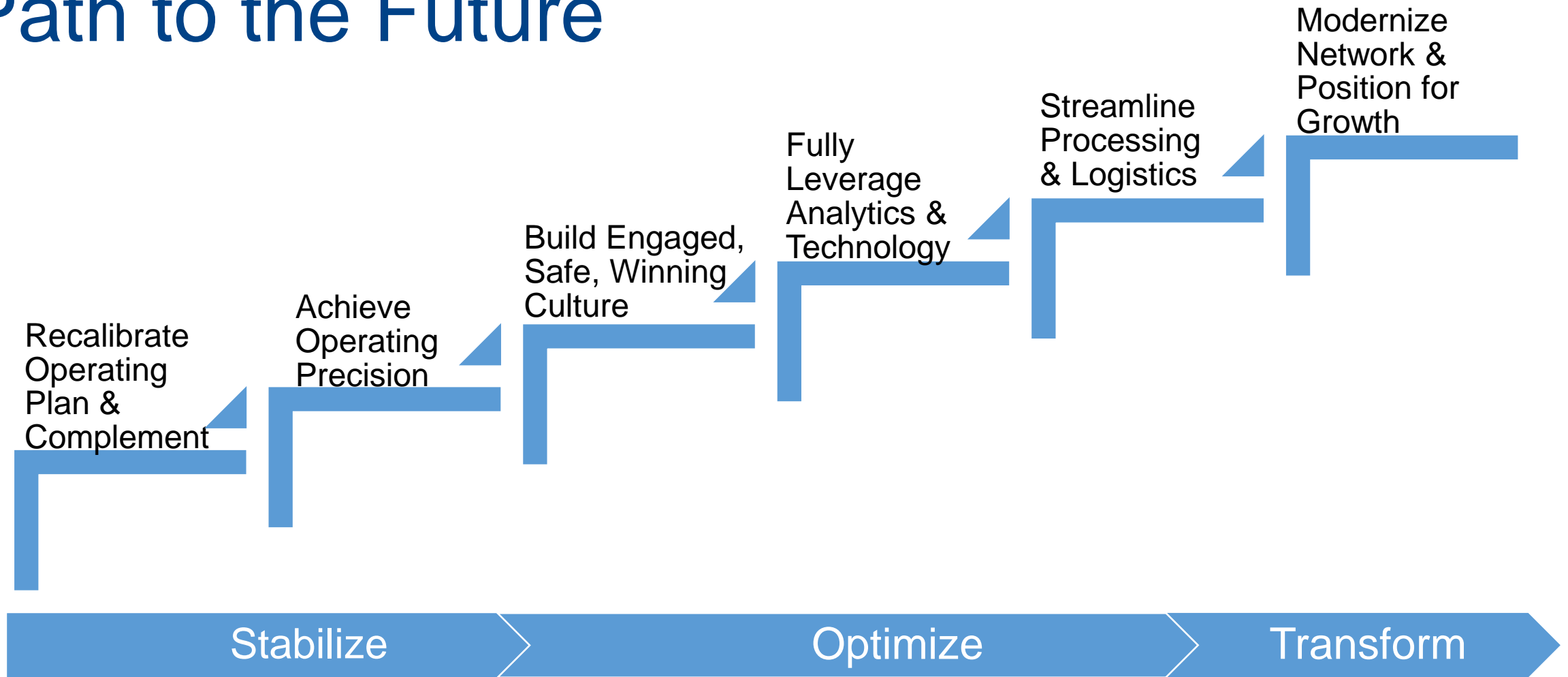
Seek judicious and appropriate legislative and administrative action



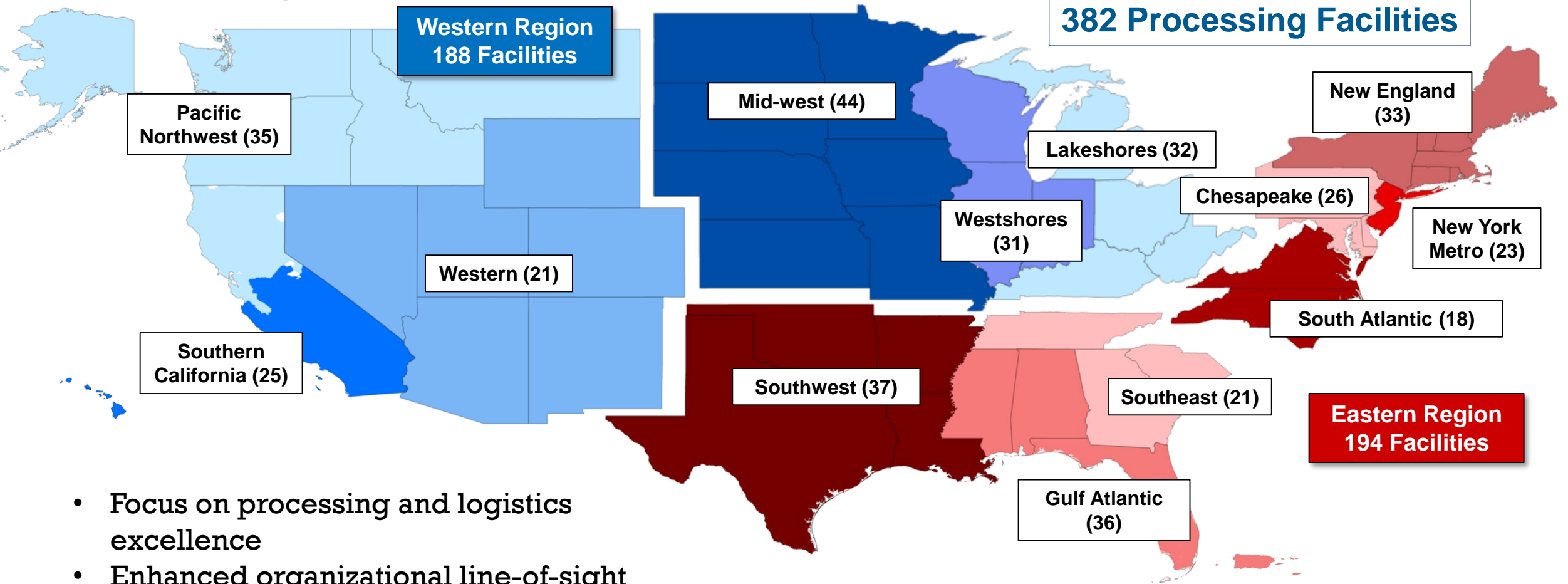
Embrace our role as a critical part of our Governments infrastructure

Logistics and Processing Operations

Path to the Future

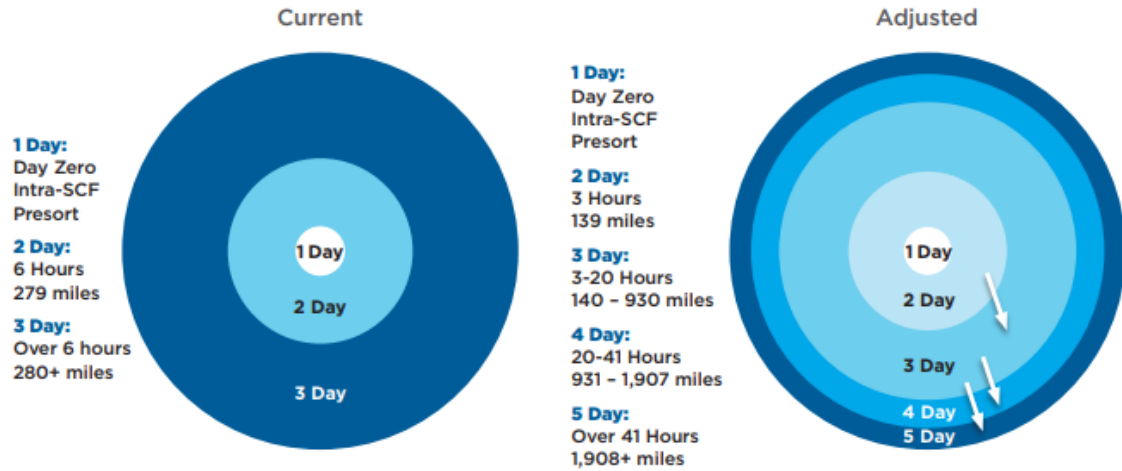


CLPO Regions and Divisions

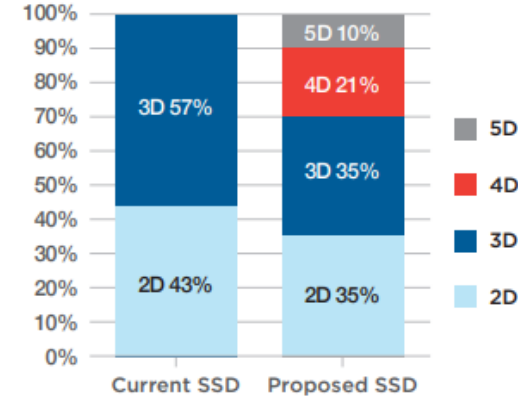


- Focus on processing and logistics excellence
- Enhanced organizational line-of-sight
- Separation of planning and execution
- Improved performance and results

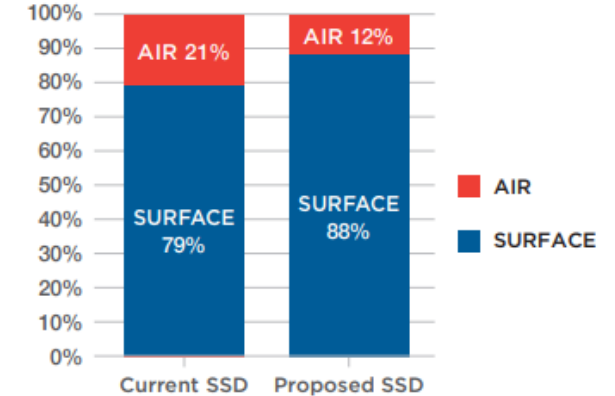
Service Excellence and Reliability



VOLUME: % of Total FCM (letters & flats)
Current Service Standards vs. Proposed with 5-Day



MODE IMPACT: % of Total FCM Volume (letters & flats)
Current Service Standards vs. Proposed with 5-Day

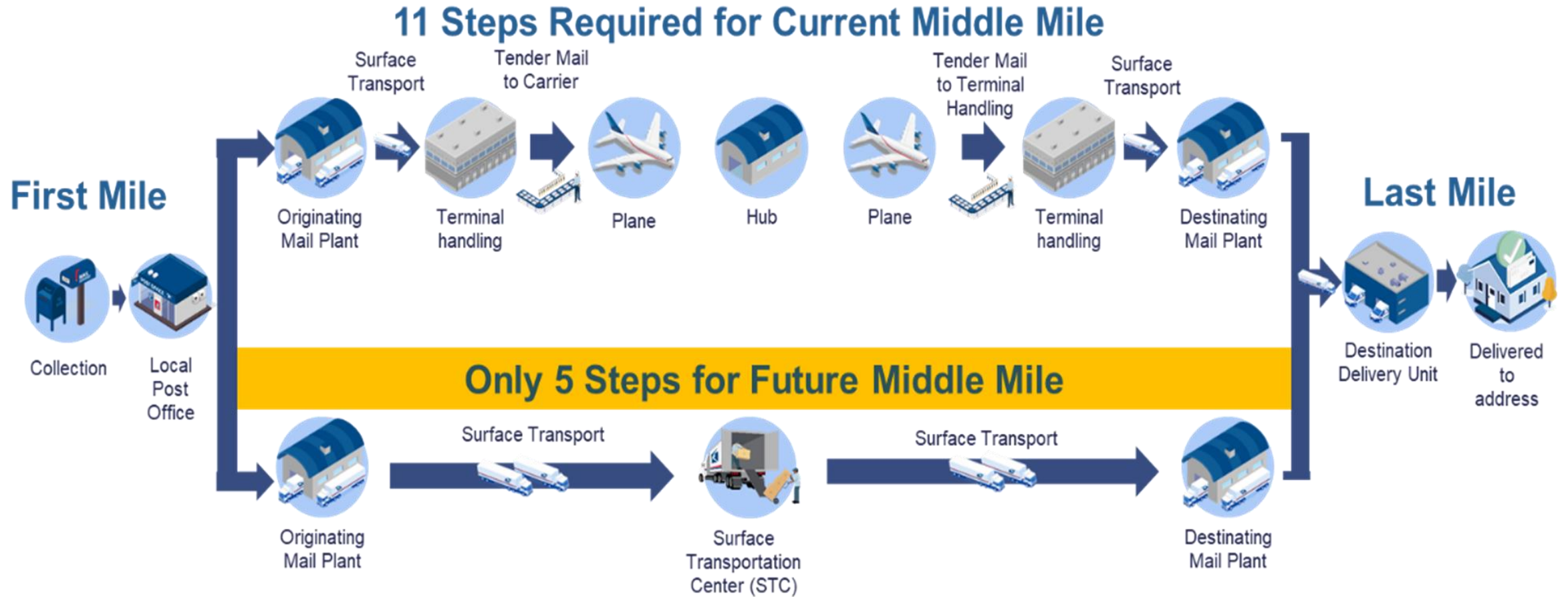


Reliable, Dependable, Lower Transportation Cost → **95% on-time**

- 61 percent of current First-Class Mail volume and 93 percent of current Periodicals volume will stay at its current standard
- 81 percent of current 2-day First-Class Mail volume will retain its 2-day standard.

- 70 percent of First-Class Mail volume would receive a standard of 1- to 3-days.
- 29% of First-Class Mail volumes adds a day to the standard
- 10% of First-Class Mail volumes adds two days to the standard

Simplifying How We Transport



Simplifying How We Process

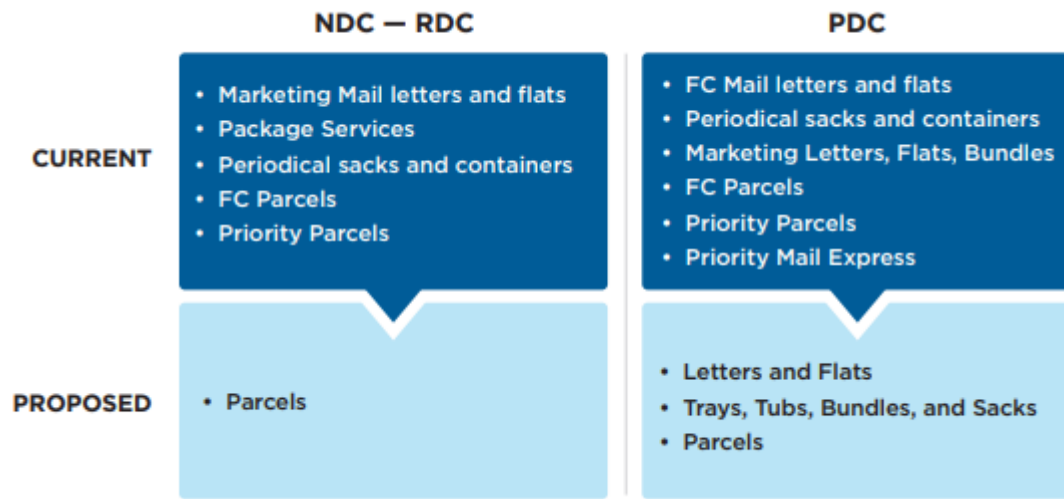
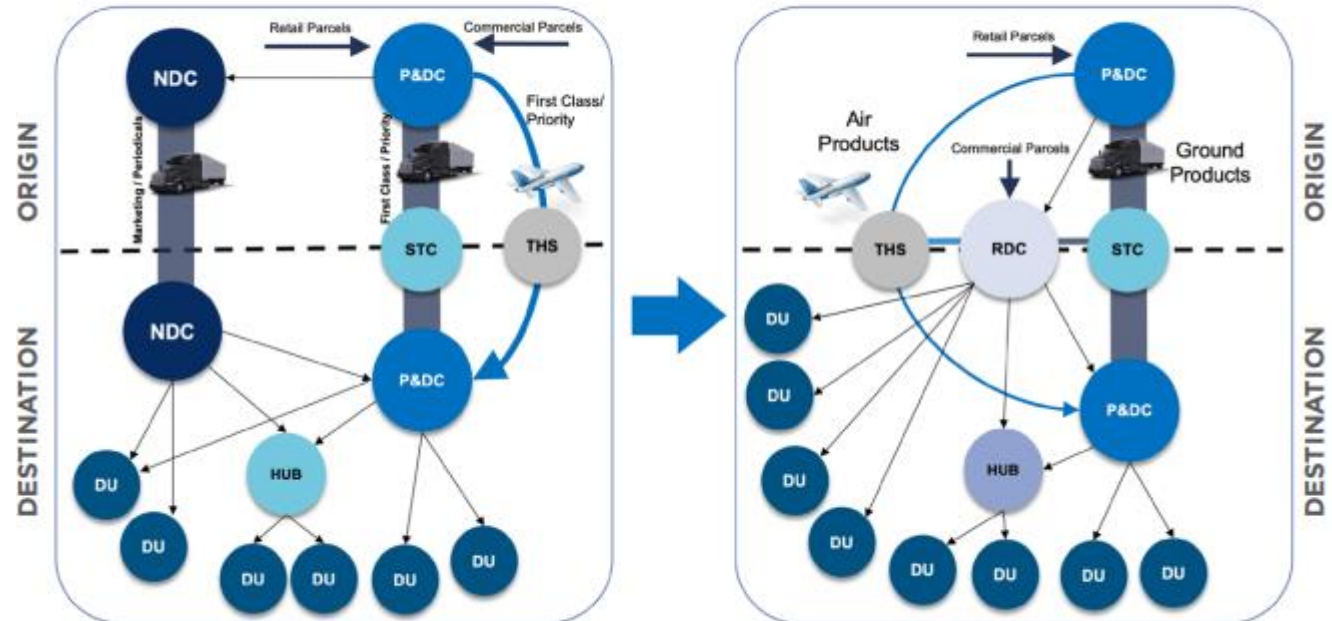
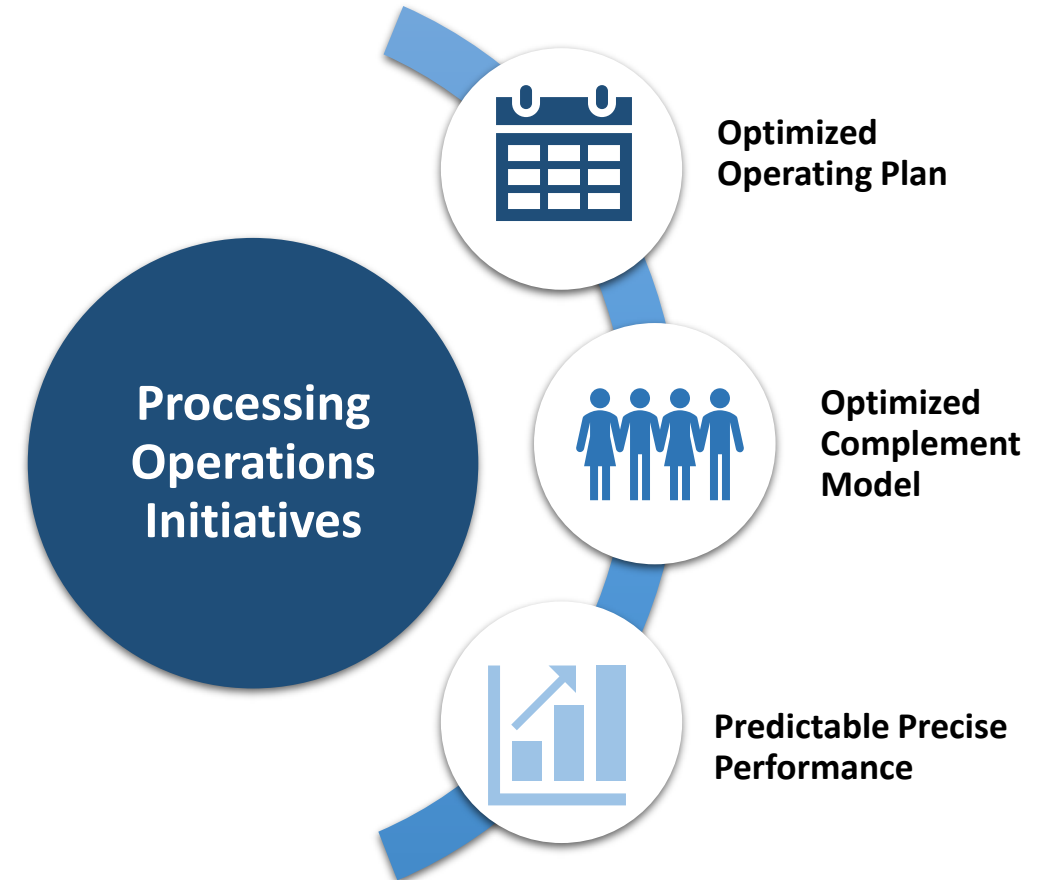


FIGURE 19: Redesign Network Distribution Center Network



Processing Operations Initiatives

LEGACY OPERATING PLAN	OPTIMIZED OPERATING PLAN
Standardized on-size fits all	Standardized framework – locally optimized
Rigid constraints	Optimized for variable inputs, machine sets, product mix
Sub-optimized mail flow and equipment utilization	Optimal alignment to Delivery, Network, and Market requirements
Unachievable Production Planning and Control	Fully leverage analytic tools and dashboards
Analytic tools and dashboards ineffective	Efficient, predictable, precise performance



Logistics Initiatives

CURRENT NETWORK

Late dispatch due to misalignment with Processing Operations

Redundant surface network and trips

Under-utilized surface trips

Over-burdened air network

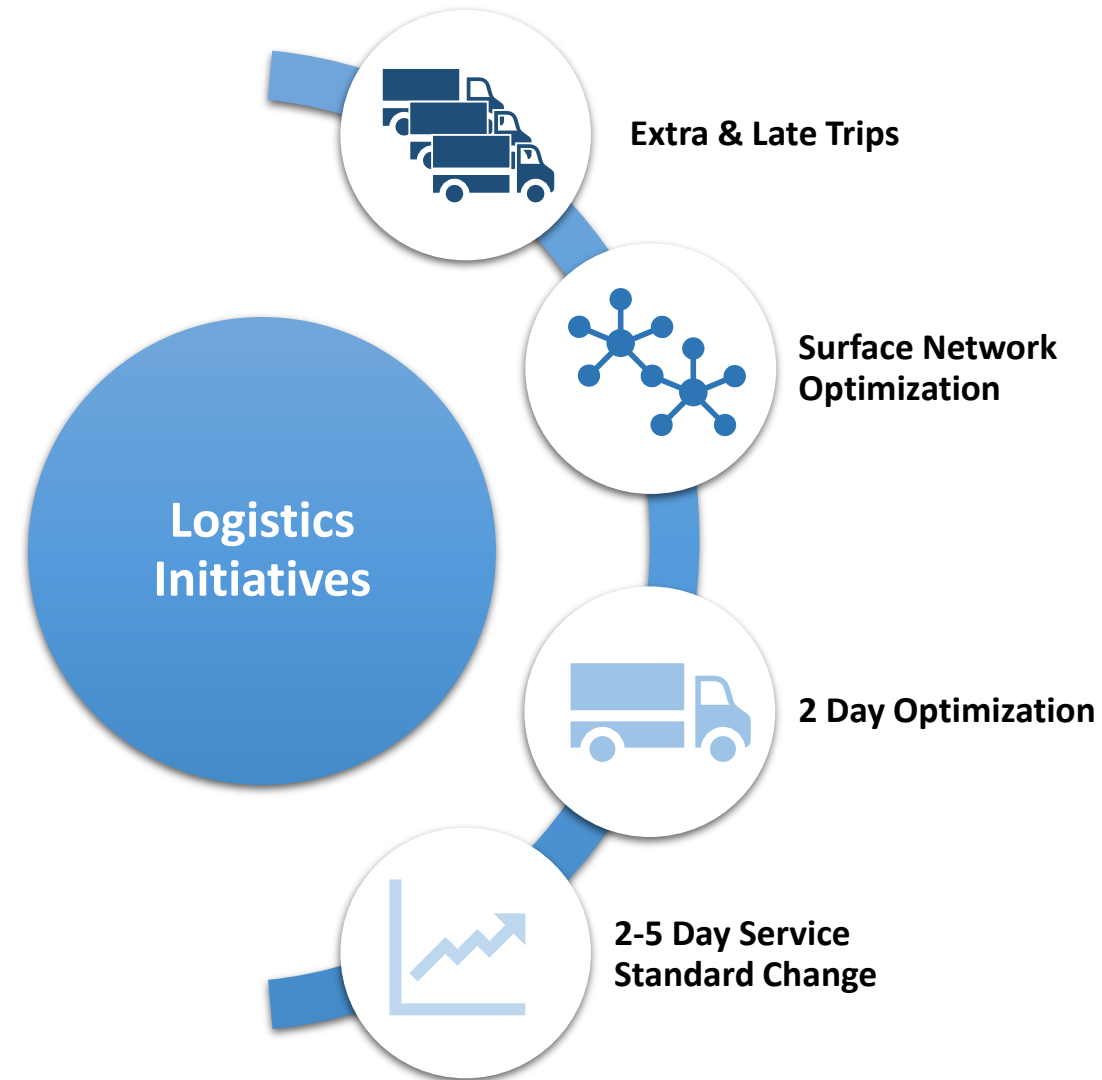
FUTURE NETWORK

Timely dispatch and alignment with Processing Operations

Consolidated surface network

Surface trips fully utilized

Reduced reliance on air network



Logistics and Processing Operations Vision and Strategy

Focused Organization

- Processing and Logistics Excellence
- Effective Planning and Execution
- Enhanced Line-of-Sight
- Improved Performance and Results

Precise and Efficient Operations

- Engaged Employees with a Safe and Winning Culture
- Recalibrated Operating Plan
- Right-sized Complement
- Fully Leveraged Technology and Analytics

Network Modernization

- Streamlined Processing and Logistics
- Redesigned Package Network
- Highly Efficient and Reliable with Extended Reach
- Positioned for Growth