

## Appalachian District STAND-UP TALK

Good morning. As you may have heard, the US Postal Service is facing unprecedented financial challenges. Volume has dropped to levels we haven't experienced for over 30 years all while deliveries continue to grow.

Although package growth is up almost 100 million pieces from last year, it does not come close to replacing the revenue associated with a 3 billion piece drop in letters and flats in the Eastern Area.

As a result of the dramatic volume loss, we are expected to control our costs and to remain solvent while adjusting to changes in demand for our various product lines. Bottom line, we can no longer operate at a loss.

The new Fiscal Year presents great challenges for the Appalachian District. Mail Processing has been tasked with a reduction of 124,000 workhours. This equates to closing all Plants in Appalachian for 29 days or the elimination of one tour from all Mail Processing facilities for 86 days. To work toward this workhour reduction, the district is currently in the process of removing 7 mail processing machines.

City Delivery has been tasked with a reduction of 110,983 workhours. This equates to 13 days of complete non-delivery or the elimination of 4.9% of all city routes (43 city routes) or the reduction of 25 minutes per route per day.

Clerk and Retail Operations have been tasked with a reduction of 112,475 workhours. This equates to no LDC 43 Distribution, no LDC 44 PO Box Distribution and no LDC 48 Admin/Miscellaneous for 13 days (equals 25,554 workhours) plus the window closure of all offices for 69 days or the total window closure across the district for 90 days.

Our financial situation is serious but solvable with managing our workhours and continuing to pursue legislative and regulatory reforms. Managing costs is critical to our organization and this includes matching workhours to the workload.

Being reliable, coming to work and working safely cuts down overtime and unnecessary workhours. Being dedicated and performing to the best of your ability every minute of every day helps preserve jobs. When volumes decline, workhours decline. When we generate revenue and control costs we can prosper.

I know I can count on you for your steadfast dedication to the organization. We have faced tough roads before. We need YOU to continue to push forward, with your heads held high, delivering the excellence our postal brand promises and YOUR personal brand as well.

Thank you.