

POSTAL NEWS

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## **USPS to Improve Mail Operations at Eastern Maine Processing Facility**

Facility to remain open and modernized as a Local Processing Center to improve mail and package flow through the region

USPS to invest up to \$12.1 million in this facility as part of 10-year Delivering for America plan to modernize the nation's aging postal network

## There will be no career employee layoffs

HAMPDEN, ME — As part of a \$40 billion investment strategy to upgrade and improve the Postal processing, transportation, and delivery networks, the United States Postal Service announced its plan to modernize mail operations at its Eastern Maine Processing and Distribution Center (P&DC) in Hampden, ME.

The announcement comes following a thorough business review and solicitation of public feedback on the facility's future. In addition to determining the facility will remain open and modernized as a Local Processing Center (LPC), the business case supports transferring mail processing outgoing operations to the Southern Maine P&DC in Scarborough, ME. Currently, a majority of mail is destined outside the Hampden area to the rest of the world.

The investment in the Eastern Maine facility 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.

The Postal Service will invest up to \$12.1 million in the Eastern Maine LPC, which will result in expanded and streamlined package and mail processing and distribution capabilities for the facility. These investments include \$6.1 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 \$1 million will be made to locate a Single Induction Package Sorter into the facility.

In addition, consolidating plant operations will allow the Eastern Maine 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 Eastern Maine LPC will have 75 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.

The Postal Service also announced there will be no career 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 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.

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. After the Eastern Maine facility is converted to an LPC, it is anticipated that it will be able to mail and ship packages, manual letters and flats. The LPC is also anticipated to offer express services and accept bulk and permit mail.

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**Please Note:** The United States Postal Service is an independent federal establishment, mandated to be self-financing and to serve every American community through the affordable, reliable and secure delivery of mail and packages to 167 million addresses six and often seven days a week. Overseen by a bipartisan Board of Governors, the Postal Service is implementing a 10-year transformation plan, *Delivering for America*, to modernize the postal network, restore long-term financial sustainability, dramatically improve service across all mail and shipping categories, and maintain the organization as one of America's most valued and trusted brands.

The Postal Service generally receives no tax dollars for operating expenses and relies on the sale of postage, products and services to fund its operations.

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## STAND-UP TALK DECISION TO PROCEED ON EASTERN MAINE P&DC MAIL PROCESSING FACILITY REVIEW

On November 22, 2023, we notified you that we were beginning a Mail Processing Facility Review (MPFR) at the Eastern Maine Processing and Distribution Center (P&DC) in Hampden, ME, to see if it would make sense to transfer some mail operations into the Southern Maine P&DC in Scarborough, ME.

The results of the facility review support keeping the Eastern Maine facility open and modernized as a Local Processing Center (LPC). Additionally, the business case supports transferring mail processing outgoing operations to the Southern Maine P&DC. Currently, a majority of mail is destined outside the Hampden 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 Eastern Maine 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 \$12.1 million in the Eastern Maine LPC, which will result in expanded and streamlined package and mail processing and distribution capabilities for the facility. These investments include \$6.1 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 \$1 million will be made to locate a Single Induction Package Sorter into the facility.

In addition, consolidating plant operations will allow the Eastern Maine 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.

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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 Southern Maine P&DC. We anticipate this to impact the following career positions at the Eastern Maine P&DC:

- 13 Craft
- 1 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 Eastern Maine 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 Eastern Maine LPC and Southern Maine 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.