

USPS Network Operations

November 2010
Jim Cunningham
Manager Business
Opportunity Development ₁

- **Annual Revenue of \$68 Billion**
 - **Would rank 27th on Fortune 500**
- **596,000 career employees**
- **32,662 Post Offices (including stations, branches, annexes)**
- **268 mail processing centers**
- **21 Network Distribution Centers (formerly BMCs)**
- **314 vehicle maintenance facilities (VMFs)**
- **215,600 owned vehicles**
- ***2009 Delivery points: 150,115,881 addresses***
(Adding nearly 1 million new addresses per year)

Number of Vehicles: 215,600

As of September 2010

Class 8 tractors	1,800
Spotters	400
Trailers	4,000
Class 7 Cargo van	2,200
1 & 2 Tons (step van)	7,000
Local Mail Delivery Vehicles	
Long Life Vehicles (LLVs)	142,100
Flexible Fuel Vehicles (FFVs)	21,200
Minivans	22,700
Non-mail hauling vehicles (Maintenance, Plant & Admin)	14,200

Annual Fuel Consumption (2009)

▪ Gasoline	112,909,361 gallons
▪ Diesel	31,337,644 gallons
▪ Bio-diesel (B20)	1,131,066 gallons
▪ E-85	724,046 gallons
▪ CNG	27,654
▪ Propane	21,429
▪ Electric	2,975

The United States Postal Service is committed to reducing petroleum consumption and minimizing environmental impact through the use of alternative fuels.

- Light duty hybrid electric
- Medium duty hybrid electric
- Electric Vehicles
- Flex Fuel Vehicles
- Clean diesel
- Biodiesel
- Natural Gas
- Propane
- Hydrogen fuel cell

Vehicle Type	Supplier	Location	Active since	Qty	Comments
2-Ton - Battery Electric Vehicles	Azure	New York	2001	30	Majority have received battery replacements
SUV - Hybrid Electric Vehicles (HEVs)	Ford (Escape)	California	2005	10	No major issues
2-Ton - HEVs	Azure	New York	2009	1	No major issues
Non-mail hauling HEVs (Admin vehicles)	Chevy Malibu; Ford Fusion	Nationwide	2009	903	No major issues

- **Space available on existing highway transportation**
- **LTL & FTL (where available)**
- **The LTL industry is \$34 billion a year, and the shipping industry is looking for cost-effective alternatives**
- **Palletized loads for LTL – single stacked or multiple stacked**
- **USPS or Customer drop-off & pick-up options**
- **No HAZMAT or materials which may impact mail security or service**
- **Traditional Freight and Drop-ship Freight**
- **Individually-negotiated rates**
- **Excellent Service: Delivery standards 1 – 4 days, depending on the lane**

- **April 1, 2009: Postal Service gave notice to the Postal Regulatory Commission (PRC) of its intent to initiate a two-year market test of an experimental “Collaborative Logistics” competitive product**
- **May 7, 2009: Market Test Began**
- **Managed by Network Operations at USPS Headquarters**
- **PRC established \$10 million per year cap on revenue for the two-year test period**

Inter NDC Transportation Matrix		June 2010 Daily Average														Wednesday Available Pallet Space							
Origin \ Destination	Nass Code	SPRINGFIELD NDC, MA	NEW JERSEY INT'L & NDC, NJ	PITTSBURGH NDC, PA	PHILADELPHIA NDC, PA	WASHINGTON NDC, MD	GREENSBORO NDC, NC	ATLANTA NDC, GA	JACKSONVILLE NDC, FL	MEMPHIS NDC, TN	CINCINNATI NDC, OH	DETROIT NDC, MI	DES MOINES NDC, IA	MINNEAPOLIS/ST PAUL NDC, MN	CHICAGO NDC, IL	ST LOUIS NDC, MO	KANSAS CITY NDC, KS	DALLAS NDC, TX	DENVER NDC, CO	LOS ANGELES NDC, CA	SAN FRANCISCO NDC, CA	SEATTLE NDC, WA	
		01Z	07Z	15Z	19Z	20Z	27Z	30Z	32Z	38Z	45Z	48Z	50Z	55Z	45Z	63Z	66Z	75Z	80Z	90Z	94Z	98Z	
SPRINGFIELD NDC, MA	01Z		45															3					
NEW JERSEY INT'L & NDC, NJ	07Z	45		43	45	18	25	22	12	43	45	12	4	7	7	15	23	15	7	25	11	19	
PITTSBURGH NDC, PA	15Z	14	49		14	23	31	38	5	18	45	45	8	1	45		21	26	16	30	8	7	
PHILADELPHIA NDC, PA	19Z		45	19				4	13							13							
WASHINGTON NDC, MD	20Z		19	19			45								10								
GREENSBORO NDC, NC	27Z		45	43	5	45		13	18	42	8	7		3	13	5	5	8	9	40	3	6	
ATLANTA NDC, GA	30Z			58			24		34	45													
JACKSONVILLE NDC, FL	32Z	20	26	5	5	7	24	24		45	10	12	16	8	8		12	4	4	9			
MEMPHIS NDC, TN	38Z	17	17	42	5	18	19	45	34		10	5	27	9	5	30	12	18	15	34	11	10	
CINCINNATI NDC, OH	45Z			45									17										
DETROIT NDC, MI	48Z			45																			
DES MOINES NDC, IA	50Z	12	11	7	32	7	14	7	18	37	45	1		24	45	45	45	45	45	45	45	24	9
MINNEAPOLIS/ST PAUL NDC, MN	55Z												45						9				
CHICAGO NDC, IL	45Z		45	45		5			20				45					3	5				
ST LOUIS NDC, MO	63Z		35							45			45										
KANSAS CITY NDC, KS	66Z												45										
DALLAS NDC, TX	75Z	2	28	9	9		10		4	10	8	12	45		5				10	26			
DENVER NDC, CO	80Z	5	24	26	6	7	22	11	20	3	5		45	16	8		38	20			6	2	
LOS ANGELES NDC, CA	90Z	28	45	12	23	14	45		6	20	18	4	34	1	14	9	4	13	44		23		
SAN FRANCISCO NDC, CA	94Z																			45			9
SEATTLE NDC, WA	98Z	12	14	5			38			12			45					10			3		

- **BMC and STC Networks Combined**
- **Double-stacked Pallets**
- **Bed Loads**
- **Tandems**
- **Rail**



- ❑ Right sizing our networks in face of declining volumes and facility consolidations
- ❑ Continuing to explore alternative fuel vehicles for fleet replacement
- ❑ Partnering with other companies to share transportation to reduce cost and reduce combined carbon footprint