

Mail Processing Facility Review – Initial Findings

Knoxville P&DC in Knoxville TN

11/21/2023

Under its 10-year strategic plan, Delivering for America, the U.S. Postal Service is investing \$40 billion to modernize the nation's aging postal processing and delivery network.

As part of this modernization initiative, the Postal Service is in the process of conducting a Mail Processing Facility Review (MPFR) of processing operations at the Knoxville Processing and Distribution Center (P&DC) in Knoxville TN. The review was initiated to evaluate what role the facility will take in the redesigned postal network and to assess potentially moving some of the mail processing operations from the Knoxville P&DC to the Louisville P&DC in Louisville KY.

Below are initial findings from the study:

Facility Future

The initial results of the facility review support the business case for keeping the Knoxville P&DC open and modernizing the facility as a Local Processing Center (LPC) with simplified processes and standardized layouts. Additionally, the business case supports transferring some mail processing operations to the Louisville P&DC.

Postal Employees

NOTE: There will be no career employee layoffs as part of this initiative. The numbers presented here reflect data available as of October 6, 2023, and are subject to change until the completion of the facility review.

Due to the transfer of some operations, an estimated net decrease of 28 craft and 4 management positions are projected once the initiative is completed. All bargaining employee reassignments will be made in accordance with the respective collective bargaining agreements.

Estimated Cost Savings

Proposed savings in the draft MPFR analysis are ultimately projected to be \$5.0M - \$6.7M annually once the initiative is completed. Below is a breakdown of this savings estimate:

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|----------------------------------|-----------------|
| ▪ Annual Transportation Savings | \$2.8M - \$3.8M |
| ▪ Annual Maintenance Savings | \$830K - \$1.1M |
| ▪ Annual Mail Processing Savings | \$1.0M - \$1.3M |
| ▪ Annual Management Savings | \$350K - \$470K |

Local Customer Considerations

- Retail and other services currently available will not change.
- Business mail acceptance will remain the same.
- A local postmark will continue to be available at retail post offices.
- Delivery times of mail to residences and businesses should not change because of the MPFR.

Commercial Mailers

- Mailers who presort mail will continue to receive appropriate postage discounts.
- Mailers who drop ship to a Destination Sectional Center Facility (DSCF) can expect no changes, if the MPFR is approved.

Please go to <https://www.surveymonkey.com/r/mpfr-knoxville-tn> to submit written comments. All written comments must be received by December 15, 2023.