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Draft 5.0 Regional Distribution Center Communications Plan

UNITED STATES POSTAL SERVICE®

Regional Distribution Centers (RDCs)

Communications Plan

July 2006

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OVERVIEW

The purpose of this plan is to identify communications efforts needed to support the activation of Regional Distribution Centers (RDCs). RDCs will be the backbone of the Postal Service's redesigned network under the Evolutionary Network Development (END) process.

BACKGROUND

In July 2003, a Presidential Commission appointed to identify operational, structural and financial challenges facing the Postal Service, recommended an overhaul of the 1950s era postal network through consolidation and standardization of our existing infrastructure. This recommendation is supported in separate studies by the General Accounting Office (GAO) and the Postal Service Office of Inspector General (OIG). Changes in the organization's operating landscape and market environment, efficiencies achieved through investments in automation, and mail processing and transportation redundancies built over many years make it necessary for network changes.

Change is not new to the Postal Service. Throughout the years we have adapted our processes and infrastructure to changes in technology, market conditions and customer base. Our mail processing operations have transitioned from manual to mechanized to automated sorting systems. Our transportation modes moved from horseback to railway to airplanes, along with other means of conveyance.

The END process serves as the model for development of a more efficient network designed to handle multiple products, with a trend toward shape-based mail processing systems, rather than the current class-based streams. It uses a scientific, data-driven approach to provide the Postal Service with the analytical means with which to drive the necessary redesign of existing networks.
END will serve to identify potential operational and network changes to create a more flexible distribution and transportation network; modify the postal surface transportation network to reduce transportation costs; reduce redundancy inherent in maintaining different transportation networks for different mail classes; and reduce overall postal costs.

RDC Function

RDCs, as the "backbone" of the new processing network, will consolidate parcel and bundle distribution to take advantage of shape-based efficiencies, in addition to other responsibilities. Currently, parcels are often processed on separate networks based on their class. For example, Standard Mail parcels may be sorted in one location while Priority Mail parcels may be sorted in another. Shape-based processing has already produced substantial efficiency gains for

letters, and the transition to RDCs will extend shape-based efficiencies to other types of mail.

RDCs will also serve as entry points for business mailers and drop shippers. They will also serve as transportation transfer centers. Hub and Spoke Programs (HASPs) will be replaced by Surface Transfer Centers (STCs) whose function will be absorbed into RDCs. At RDCs, direct transfer of palletized mail, drop shipments and other containerized mail will occur.

RDC Relationship to Other Processing Facilities in Future END Network

Regional Distribution Centers (RDC)—These centers will process parcels and bundles of all classes and will serve as a mailer entry location. The RDCs will also perform the role of Surface Transfer Center(STC) by providing transportation consolidation capabilities. The scope of the STC operation will vary across RDCs, with some performing consolidation for local volumes only, while others perform as national consolidation points.

Local Processing Centers (LPC)—These centers will process single-piece letters and flats. They will perform cancellation, outgoing primary/secondary, incoming primary/secondary, DPS, and flat sequencing operations. They will also serve as a mailer entry location for properly prepared mail.

Destination Processing Centers (DPC)—These centers will process single-piece letters and flats in incoming primary, DPS, and flat sequencing operations. They will also serve as a mailer entry location for properly prepared mail.

Airport Transfer Centers (ATC)—These centers will serve as transfer points for mail transported by air.

Remote Encoding Centers (REC)—These centers will continue processing non-machine readable pieces of mail.

RDC Equipment Configuration

Primary sorting equipment for RDCs will include:

- the Automated Package Processing System (APPS); *or* Small Parcel and Bundle Sorters (SPBSs) at RDCs with lower volume density; *and* existing parcel sorting equipment at converted BMCs.
- a tray sorter system (High Speed Tray Sorter)
- a universal sorter (High Speed or Low Cost Universal Sorter) for oversized or odd-shaped items or sacks

RDC Activations

RDCs will be created, for the most part, from conversion of existing facilities, although some will require new construction. While RDCs are designed to be standardized, they can vary in size depending upon anticipated mail volume density. Conversions from existing BMCs or P&DCs will require retrofitting with new equipment, removal of some equipment no longer needed to fulfill the new role of the facility, and may also require alterations or expansions of buildings. During the conversion, mail processing operations may need to be, at least temporarily, shifted to a processing annex or other nearby processing facility in order to maintain continuity of operations.

Each RDC activation will be a unique project requiring a dedicated, customized communications effort. Interim changes during conversion will require ongoing communications efforts, both internally and externally. For example, a shift in operations may require communication with business mailers or drop shippers as well as affected employees. Another example of interim changes may mean the shift of parcel and bundle processing from an existing nearby P&DC to a P&DC undergoing conversion to an RDC, while originating and destinating, single-piece operations would shift from the converted P&DC to the nearby existing P&DC.

Eventually, as part of END, many of the remaining P&DCs not converting to RDCs will be redesignated as Local Processing Centers (LPCs) and Destination Processing Centers (DPCs) and will have responsibility for single piece processing of letters and flats, along with cancellation, incoming and outgoing primary and secondary sortation, and letter and flat sequencing.

An RDC is considered activated when required facility projects have been completed, the necessary processing and material handling equipment is deployed, supporting transportation is in place, and the tasks for allowing both internal and external mail flow changes are completed. The activated RDC will be processing its destination entry products, and packages and bundles of all classes.

COMMUNICATIONS PLAN OBJECTIVES

- To communicate to key stakeholders the overarching business reasons for RDC activations and network changes
- To inform and educate employees regarding overarching network plans
- To support related communications activities for RDC conversions and activation, both internally and externally

STAKEHOLDERS

- Employees
- Unions, management associations

- Members of Congress
- Local officials, political leaders and civic groups
- Business mailers and business organizations

NOTIFICATION

The tactical approach will be two-pronged with: 1. an overarching awareness effort at the national level to communicate to key stakeholders the business reasons for change, and 2. an ongoing effort to communicate with local key stakeholders at various stages of a specific RDC activation:

PROCESS

Three weeks before first announcement

1. Develop internal employee briefing materials and handouts—*PA&C*

Two weeks before first announcement

2. Develop short DVD/Presentation about RDC and END for use with briefings—*PA&C USPS TV*

One week before first announcement

3. Brief trade press regarding plans/business reasons for RDC activations—*HQ Public Relations/VP*
4. Hold editorial board meetings or briefings at local newspapers where announcements will be made—*Field Communications*
5. Brief local and national political leaders in local RDC areas regarding changes—*Field Communications/Government Relations*
6. Brief national business mailers and mailer groups—*HQ BSN, Marketing*

Two days before first announcement

7. Brief local labor unions —*District Labor Relations*
8. Brief local key business mailers/Postal Customer Councils at RDC sites—*District Marketing*

Day of announcement

9. Develop and distribute national press release—*HQ Public Relations*
10. Develop and publish a *Link Extra* edition outlining RDC plans—*PA&C Publications*
11. Develop and publish NEWSBREAK for internal use—*PA&C Publications*

After announcement

12. Develop and publish article for inclusion in Area *Updates—PA&C Publications*
13. Publish ongoing updates on RDC efforts and activations in *Link, Updates—PA&C Publications,* and on www.usps.com .

RDC ACTIVATION COMMUNICATIONS

Each RDC project will present a unique set of communications challenges and opportunities. The Public Affairs and Communications Department will provide support in developing and clearing internal and external communications related to transitional activities.

The Manager, Field Communications will establish a clearinghouse, through Field Managers of Public Affairs and Communications, to assist in development of appropriate communications tools and messaging.

PUBLIC COMMUNICATION

The decision by postal management to activate a Regional Distribution at a particular location, either through the conversion of an existing facility or the construction of a new facility, does not involve operational consolidations subject to the Handbook PO-408 process, but may involve changes in mail class service standards applicable to 3-digit ZIP Code areas served by mail processing facilities within the planned service area of an RDC. In such cases, the Postal Service will publish a notice that includes a list of all affected mail classes and 3-digit ZIP Code pairs. A public communication process designed for such RDC activations will disseminate information through the public media and other means to stakeholders and the general public in the service area of a planned RDC and direct their attention to information regarding such changes at the Postal Service's web site (www.usps.com). The website posting will include a summary description of the network and service standard changes expected in the service area of the planned RDC, a summary of the anticipated schedule for implementation such changes, and related information. The public will be given 15 days of the RDC announcement to direct written comments to an address provided on the web site. These comments will be reviewed by the local team responsible for implementing the operational changes associated with the RDC activiation for consideration.

COMMUNICATING NETWORK CHANGES TO MAILERS

Mailers who prepare plant-verified drop shipments (PVDS) are particularly interested in changes that effect destination entry facilities. To provide timely messaging from facilities that will receive drop shipments prepared to the RDC level, existing media will convey information to mailers.

- RDC activation will coincide with publication of labeling list changes in the *Postal Bulletin* (6 times per year).
- The Facility Access and Shipment Tracking (FAST) will contain information about redirections and updates to the Drop Ship product.
- *DMM Advisory* will push information electronically through its distribution list
- Information will be available to mailers who access www.usps.com.
- Publications, such as *Memo to Mailers* and *Mailers Companion*, may contain monthly articles.