
From: BRACKETT PHILIP C. (CVG1PXB)
Sent: Wednesday, March 06, 2002 10:29 AM
To: YANKOSKY KIT (CVG1JCY); BYRNE MIKE (CVG1MZB); DeWALT KEVIN J. (CVG1KJD);
HERTEL STEVE (CVG1SJH)
Subject: FW: Stops decreases

—Original Message—

From: DAVIS LIZZ (CVG1LED)
Sent: Wednesday, March 06, 2002 8:18 AM
To: CHUCK GUMZ; DANIEL MURPHY; JAMES MYERS; PAUL JACKSON; PHILIP BRACKETT; R. VILLEGAS
Subject: FW: Stops decreases

fyi.....

We have cutbacks looming around the corner.....

—Original Message—

From: HAUSFELD MIKE (MWR1MRH)
Sent: Monday, March 04, 2002 6:48 PM
Subject: Stops decreases

Last year going into the July cutbacks we had to go back to the drawing board to find ways to cut our package drivers down farther than we have in the past. We re-established low end driver levels which meant we had to dissect some existing pick up logs because we did not have the delivery work to support our pickups. As a region, this low end driver level was established at approximately 4700 full time drivers. A lot of work and effort was done by our District teams to bring our driver levels down to this point. At that time, some of you will recall, we name this our "Zero Barrier" which coincided with our "Armageddon" movie theme. That we could operate successfully as long as our stops didn't drop off severely enough to cause us to go down below this driver level. By lowering our driver levels we not only survived the month of July operationally but posted some of our best numbers ever.

Well folks, as most of you have realizes, we are once again ready to cross our "Zero Barrier" threshold. The attachment below compares our President's Day 2002 stats against our lowest volume week after the 4th of July in 2001. What we thought was going to be our lowest point for a while, we have sunk even lower. President's Day week is just the precursor to the first big cutback period which is post Easter. Right now we are 4 weeks out to Post Easter, stops will drop off about another 4-5% from what we have just seen. Everyone needs to be working on their new low end dispatch plan of how we can function effectively below our zero barrier. Each District need to develop plans to go down another 50 or so drivers. Come the Tuesday after Good Friday we will have a need for only 4350 to 4400 full time drivers. We can not achieve this without a very, excellent plan moving both delivery and pick up work among our existing drivers. Next week Tuesday(3/12/02) at 11:00 am I will be holding a conference call with the I.E. Managers to review the preliminary Easter Cutback numbers. We will be holding our final Easter Cutback conference calls on week ending March 30 with each District individually.

We currently have about 6200 full time package drivers on the payroll. We have quite a few that have bumped into the part time ranks as well as some being laid off all together. Having too many drivers can be more costly than not enough especially in the area of benefits and drivers working only one or two days a month.