

STATEMENT OF

**LOUIS M. ATKINS, EXECUTIVE VICE-PRESIDENT
NATIONAL ASSOCIATION OF POSTAL SUPERVISORS**

ON

**MAKING SENSE OF IT ALL: AN EXAMINATION OF
USPS'S STATION AND BRANCH OPTIMIZATION
INITIATIVE AND DELIVERY ROUTE ADJUSTMENTS**

**SUBCOMMITTEE ON FEDERAL WORKFORCE, POSTAL
SERVICE, AND THE DISTRICT OF COLUMBIA**

**1. COMMITTEE ON OVERSIGHT AND
GOVERNMENT REFORM**

UNITED STATES HOUSE OF REPRESENTATIVES

JULY 30, 2009

Good Morning Chairman Lynch, Ranking Member Chaffetz and other distinguished members of the subcommittee, my name is Louis M. Atkins and I serve as the Executive Vice President of the National Association of Postal Supervisors. We are recognized by the United States Postal Service as the representative of over 35,000 current and retired management employees of the Postal Service.

I am honored by your invitation to appear before you and to provide our organization's feedback on the Postal Service's plan to examine the potential closure or consolidation of many postal stations and branches that comprise its national retail network.

Our organization is a management association, and as such seeks to partner with the Postal Service in maintaining and improving the efficiency and effectiveness of our nation's mail system. That partnership with the Postal Service is recognized through federal law, as well as our own organization's constitution, which affirms that:

The object of the association shall be to promote, through appropriate and effective action, the welfare of its members, and to cooperate with the USPS and other agencies of the federal government in a continuing effort to improve the service, to raise the standard of efficiency, and to widen the field of opportunity of its members who make the Postal Service or the federal government their life work.

The viability and strength of the collaborative relationship we share with the Postal Service continues to be tested by its receptiveness to our views about cost-cutting and the preservation of customer service and service quality. The challenge of finding that necessary balance between the bottom line and service quality is embodied in the discussion over the downsizing of the Postal Service's retail network.

Over the years the Postal Service has continually made minor adjustments in the locations of its retail operations to improve the efficiency of the mail system and its service to the American public. The scale of these changes has been relatively small in comparison to what lies before us. As a result of the severe economic pressures bearing down on the Postal Service, the Service is engaged in a comprehensive review of its

operations with the express purpose of consolidating up to 3,100 facilities across the country, some in your very own Congressional districts.

My organization has taken a careful look at the Postal Service's review process and its potential outcomes. We have concerns and reservations about the underlying review process and its likely results and consequences. I wish to share those concerns with you now.

The Postal Service's review of approximately 3,100 customer service operations is focused on areas where there are postal stations and branches that report to higher level managers in the Postal Service.

The facilities under review for consolidation and/or closure are located primarily in urban centers, large cities or in highly-developed suburban communities. Many of these facilities house both delivery operations that support the local letter carriers that deliver in these areas, as well as retail operations where customers go to buy stamps, mail packages and conduct other postal related business.

No matter where you go across the country, postal service retail operations are a business anchor to the communities they serve. Businesses that share the block or the general location with the Postal Service benefit from the Postal Services retail presence in the community. The employees of the Postal Service also do much to support neighboring businesses, whether it is a retail store or a food establishment where our employees purchase goods and services.

Our organization's fundamental aim is to support the efficient operation of the Postal Service. But the scope of the Postal Service's review and potential consolidation could impact nearly 10% of the facilities that serve urban and highly developed communities. The repercussions of a move that large could be modest in terms of dollar-savings and considerably negative from a customer service standpoint. Let me explain why.

Since the targeted facilities and operations are in urban areas and developed suburban communities, many residents rely on their local post office as being within walking distance, especially those who are elderly or without a car. Today many of our customers in urban areas enjoy the convenience of walking to their local post office to conduct their postal-related business. If the Postal Service's plans are implemented, these customers will face a distance to the nearest post office that will be greater than the current one, a distance that likely is not walk able.

In urban areas, many of the residents, both young and old, do not own cars and rely on local services within walking distance to meet their basic needs. The elderly, who are less likely to be connected to the internet, rely more heavily on their local postal retail unit and will feel a greater loss of convenience and connection to their local post office.

When packages cannot be delivered by the letter carrier and the customer needs to go to the local post office, customers will have further distances to travel to retrieve their mail. These are some of the impacts that will be felt by customers who lose their local Post Office.

There are two separate postal operations that are involved in these consolidations and closings; delivery operations facilitated by letter carriers, and retail operations that serve the public. There are a variety of postal facilities that provide both house delivery operations and retail operations. There are also facilities exclusively devoted to either retail operations or carrier operations.

In identifying the offices to be consolidated and/or closed, the Postal Service is determining where there may be some offices that have a sufficient amount of unused space in their current operation to relocate letter carriers from one office location to another office location. In a facility that serves both delivery and retail, the relocation of carrier operations to another facility will mean that the portion of the building devoted to carrier floor space will become vacant and only the curb-side portion of the building devoted to retail operations will continue to be used.

Should the Postal Service determine that it is best to separate the retail and carrier operations in their present location, keeping only the retail operation in place will not necessarily present savings if the Postal Service is leasing the facility and obligated to continue to pay a long-term lease for the entire space. Due to the requirements of Postal Service operations, the empty space may not lend itself to sub-leasing to another business entity. In facilities owned by the Postal Service, the same problem will occur in attempting to lease-out the empty space resulting from the movement of carrier operations to another location. This dilemma would ultimately result in a move by the Postal Service to also eliminate the retail operation in the location and this would negatively impact customers as I explained earlier.

Most of the public is not aware that the Postal Service leases nearly 85% of the facilities that house processing, delivery and retail operations, so the costs of leasing facilities presents a tremendous burden on the Postal Service. Considering the high percentage of leased facilities operated by the Postal Service, and the underlying and substantial long-term financial obligations they represent, it will be difficult for the Service to achieve significant savings through the consolidation or closing of its leased properties.

In situations where the Postal Service owns the real estate that houses its carrier and retail operations, the consolidation or closure of delivery or retail operations at those properties may also be problematic when the sale of that property is attempted, given today's depressed commercial real estate values. The closing of a local Post Office also will result in an additional vacant storefront in an already depressed local economy.

Our organization supports the efforts of the Postal Service to maintain its viability in these trying times. The Postmaster General deserves credit for his efforts to reduce costs and improve efficiency. Our greatest concern is that, in a rush to consolidate and close as many as 3,100 retail and/or delivery units, significant savings may turn out to be a mirage and that customer service may appreciably suffer. We cannot afford to disenfranchise customers of the Postal Service who live in urban areas nor burden those who are least able to bear the cost.

This concludes my testimony, and I am prepared to respond to any questions you may have.