

Before the  
POSTAL REGULATORY COMMISSION  
Washington, DC 20268-0001

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Mail Processing Network Rationalization ) Docket No. N2012-1  
Service Changes, 2012 )  
\_\_\_\_\_) )

**DIRECT TESTIMONY OF DAVID WILKIN ON BEHALF OF THE NATIONAL POSTAL MAIL  
HANDLERS UNION  
(NPMHU-T-5)**

My name is David Wilkin. I am a retired Mail Handler who was employed by the United States Postal Service at the Rochester, New York P&DC. I am also currently President of Local 309 of the National Postal Mail Handlers Union (NPMHU), which is headquartered in Buffalo, New York and represents approximately 900 Mail Handlers working in upstate New York, and in Erie, Pennsylvania. I started working for the Postal Service as a part-time flexible Mail Handler in 1981, and have been a NPMHU official since 1987.

The purpose of my testimony is to provide additional information to the Commission regarding the Postal Service's proposed consolidations in upstate New York. Based on my knowledge of these facilities, my many years as a Postal employee, and my review of the Area Mail Processing (AMP) studies of these consolidations, I believe that the Postal Service has under-estimated the effects its plans will have on the efficient processing and delivery of the mail.

## **1. The Consolidations Will Result in Delayed Mail Processing and Delivery**

The Postal Service's plan will leave large areas of upstate New York, including many very rural areas, with no mail processing nearby, which will substantially slow down mail delivery to the businesses and residents of these areas. Upstate New York is a very large geographic area – it takes about eight hours to drive from Buffalo, on the Western edge of the state, to Plattsburgh, in the Northeast corner. At present, there are five large processing facilities: Albany P&DC, Buffalo P&DC, Rochester P&DC, Rochester L&DC, and Syracuse P&DC. In addition, there are two smaller processing facilities, located in, Plattsburgh, and Erie, Pennsylvania. The Postal Service previously had processing facilities in Binghamton, Elmira, Ithaca, Jamestown, Troy, Utica and Watertown, but First Class Mail processing has already been removed from these facilities. On February 23, 2012, the Postal Service announced plans to move all mail processing out of Buffalo, Erie, and Plattsburgh, and move the destinating mail processing out of Binghamton. Under the Postal Service's plan, mail will have to travel great distances to be processed. For instance, Erie's mail processing will be moved to Pittsburgh, which is a two to three hour drive away.

I have already been hearing complaints about delays in getting the mail from Rochester to Buffalo – under the Postal Service's plan, all Buffalo mail would be moved to Rochester for processing, then back to Buffalo. The Buffalo consolidation would more than double the amount of mail in Rochester – according to the AMP (page 16), Buffalo currently processes over 3 million pieces a day, while Rochester processes only 2.7 million pieces. Additional mail would be added to Rochester from the Erie consolidation. This is an enormous increase in Rochester's daily volume, and will likely result in further delays in the mail. The Rochester P&DC may be able to take on this mail, but, if there is any large influx of mail, the facility would be hard-pressed to get the mail out in a timely period.

I am also concerned that the Postal Service's plan will leave the processing network with insufficient redundancy to handle unexpected increases in mail volume, or issues affecting one facility's ability to process the mail. In the past, the Postal Service would use the Buffalo facility to cover Rochester as needed, and vice versa. With the planned consolidations, there simply will not be remaining facilities to act as a stop gap when there is a problem at one facility.

## 2. **Savings Are Over-Stated**

The Postal Service AMPs do not provide enough detail to fully critique the Postal Service's asserted cost savings. However, on even a very basic review, some of the cost estimates contained in the Buffalo AMP are plainly unsupportable. For instance, the AMP budgets only \$748,000 for employee relocation (page 43), yet the AMP also stated that 404 craft employees will need to be added in Rochester, as well as 24 management positions (pages 33, 34). Using the Postal Service's average relocation costs, the relocation costs for this consolidation should be well over \$2 million.

In addition, the Buffalo AMP states that there will be craft position loss of 182 positions, including 113 Function 1 Mail Handlers (page 34). However, this will only translate into savings if the Postal Service can layoff these individuals, or if the individuals elect retirement. Of the Function 1 Mail Handlers in Buffalo, only nineteen do not have layoff protection under the collective bargaining agreement. Given the poor economic climate in the Buffalo area, I believe many are likely to resist voluntary retirement. As a result, these savings are not likely to materialize fully.

The Buffalo P&DC is owned by the Postal Service. Given my knowledge of the local area, there is basically no chance that the Postal Service will be able to sell this building, According to the AMP, the Postal Service has no plans to move the BMEU or retail offices into the P&DC building. Instead, it will need to pay maintenance and weatherize this largely vacant building.

It is my understanding that the Postal Service's plan is based on the notion that there is currently a large amount of idle time for equipment and employees, and that by extending the operating window, it hopes to gain efficiencies that will allow it to save money on labor costs. In my experience and based on my observations of the processing facilities in my Local, any idle time has already been eliminated through prior Postal efforts. While waiting for first class mail to arrive for processing, employees are handling the standard mail. Standard mail has to be run through at some point, and therefore can be handled during any wait times. Extending the processing window for first class mail would just require additional staffing on earlier shifts.

Respectfully submitted,

Patrick T. Johnson

*As agent for and authorized by*

Andrew D. Roth

Kathleen M. Keller

Bredhoff & Kaiser, P.L.L.C.

805 Fifteenth Street, N.W.

Suite 1000

Washington, DC 20005

(202) 842-2600

*Counsel for National Postal  
Mail Handlers Union*

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