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**Transcript of United States Postal Service
Northern Illinois District, Public Input Forum
Rockford, IL June 5, 2006**

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UNITED STATES POSTAL SERVICE
NORTHERN ILLINOIS DISTRICT
PUBLIC INPUT FORUM

Northern Illinois University
Rockford Campus
8500 East State Street
Rockford, Illinois
June 5, 2006

The United States Postal Service Public Input Forum was reported by Julia Andreoni Castree, Certified Shorthand Reporter, Registered Professional Reporter, and Notary Public, at 6:30 p.m., June 5, 2006, at the Northern Illinois University Rockford Campus, 8500 East State Street, Rockford, Illinois.

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MR. WILLIAM GALLIGAN: Good evening. My name is Bill Galligan. I'm senior vice-president of operations for the U.S. Postal Service. We can all turn off our cell phones. That's what my priest says every Sunday in church. So I don't command his kind of presence, but no cell phones are allowed.

I do have a brief message to give to the community. As many of you have learned, Congressman Manzullo's wife had a serious injury yesterday back in Washington; and he has had to fly back to Washington and be with her. As a result, he will not be able to be here tonight for this public forum. Our prayers are with the Congressman and his wife and family.

We have worked closely with Congressman Manzullo in Washington and his staff for many months on this difficult issue. His staff is well briefed and prepared for this public forum. Rich Carter, the congressman's spokesperson, will represent him tonight.

So with that, before I talk a little bit about why we are here tonight and what we are doing as far as the U.S. Postal Service goes, naturally I would like to introduce the management team that has joined me here this evening.

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To my left I have Jackie Krage. She's our manager of operations for the Great Lakes area in Chicago. That is the layer of organization that reports to us in Washington and has responsibility for approval process of any consolidations that will flow through to us in Washington.

Next to Jackie is Nancy Rettinhouse. She is the district manager at the present time for the northern Illinois, and she will be presenting an overview of the Northern Illinois District.

Next to Nancy is Ron Woodall. He's our senior plant manager for the New Orleans — New Orleans is still on my mind; for the Northern Illinois District, responsibility for the plant facilities.

Next to Ron is Mike Clearly. He's our plant manager at the Rockford facility. And next to Mike, I guess, is someone you all know real well, Ron Calloway, our postmaster in Rockford.

So why are we here tonight? Well, we are here for two reasons. One, it's also very important to the U.S. Postal Service that we hear from the community, the stakeholders of the U.S. Postal Service here in Rockford; and it's certainly something that has been arranged by Congressman Manzullo, who has worked

1 very closely around this issue for the past several
2 months, numerous occasions, numerous meetings, numerous
3 phone conferences and phone conversations.

4 He has been very involved in terms of keeping
5 your interests in front of us in Washington to make sure
6 that we do the right thing in terms of the U.S. Postal
7 Service operations here in Rockford.

8 The basic reason we are here is in terms of
9 our national network in the business situation that
10 exists for us. We are all aware we are a very large
11 institution, 700,000 employees. We deliver 700 million
12 pieces of mail a day, but we have a financial problem
13 facing us. It is a two-fold problem.

14 The first part of that problem is something
15 we can't do anything about, other than what we are going
16 to talk about tonight. That is, we are eroding our
17 single piece first class mail at about 4 percent a year.
18 As a matter of fact, we have lost over 11 billion pieces
19 of single piece first class.

20 Now, single piece first class is our bread
21 and butter product; but it's the 39 cent stamp on the
22 bill you pay, the card you send, the letter you send,
23 the statement you send. We have lost 11 billion. If
24 you do the math, 11 billion pieces at 39 cents, that's

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1 around this issue, and certainly we will take all your
2 input into consideration.

3 UNIDENTIFIED SPEAKER: We can't hear you.

4 MR. WILLIAM GALLIGAN: Certainly we will take
5 your input into consideration and work after this
6 meeting again with the Congressman's staff to make
7 future decisions around our changes.

8 So that's essentially the issue that's
9 occurring from a national point of view. Our studies
10 are designed to look at savings achievement, to look at
11 service levels; and as a matter of fact, in the 11
12 studies we have done and implemented, most of them have
13 achieved improved or at least maintained service at
14 existing levels.

15 So with that, I want to show a brief video.
16 We have committed -- and this has been on the basis of
17 our dealings with Senator Harkin from Iowa -- that we
18 will have public hearings whenever we do any
19 consolidation studies in the future.

20 So our corporate relations department has put
21 together a five-minute clip that pretty much gives a
22 very good overview of what we are doing and why we are
23 doing it.

24 (Whereupon, a short videotape was shown.)

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1 4 billion dollars of lost revenue.

2 The second part of the financial dilemma is
3 every year America grows by about 2 million delivery
4 points. So we have to put carriers and mail receptacles
5 at an increasing rate of 2 million per year. You put
6 those two factors together, and we have to deal with the
7 change.

8 So that's why we have embarked in the past
9 year on looking at our entire network. What we did is
10 last summer we met with -- at headquarters in Washington
11 met with our nine areas to talk about how do we reduce
12 costs, what facilities are potentially up for a
13 consolidation study that would look at consolidating
14 that declining outgoing mail volume. So that's what we
15 embarked on.

16 Since September of last year, I have approved
17 11 consolidation studies throughout the country; and we
18 have implemented most of those at this point. We have
19 22 additional studies in process right now. However,
20 the Rockford study has been put on hold. We are not
21 moving that through our planning process at the request
22 of Congressman Mannillo.

23 And we are certainly here tonight to hear you
24 folks out in terms of how we proceed in the future

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1 MR. WILLIAM GALLIGAN: I think I would just
2 like to elaborate on a couple of points with that.

3 We are facing a change. We have a challenge.
4 The challenge came to us not by our choosing. It was
5 the Internet. It was digitizing information. It was
6 electronic payment. It was electronic cards, birthday
7 cards, messages. So we've lost a very significant part
8 of our business, the business that has been our bread
9 and butter, the first class single piece stamp.

10 So we are adapting to the change. We are
11 adapting to that change while we have to deliver to
12 2 million more address points a year. We have to do
13 something. So we are taking this on as a national
14 effort. We want to do the right thing. Certainly
15 change is inevitable. We want to do it in the right
16 conditions, right to our customers, right to our
17 employees and really keep our enterprise solvent moving
18 forward into the future.

19 So with that I would like to turn it over
20 to Nancy Bettinhouse. I think you have a lot to be
21 proud of here in northern Illinois. You are going
22 to see some statistics on how well this area does
23 in terms of postal service, among the tops in the
24 country.

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1 We are extremely proud of what goes on in
2 the Rockford facility. It's certainly one of the best.
3 We are certainly proud of what goes on in Palatine. We
4 are proud of what goes on in Carol Stream because you
5 will see in Nancy's presentation some real solid levels
6 of service that we provide to our customers. That's our
7 employees doing that in northern Illinois.

8 With that, I want to turn it over to Nancy
9 Rettinhouse.

10 MS. NANCY RETTINHOUSE: Good evening,
11 Rockford community postal customers. I think we have
12 some former employees and some current employees. I'm
13 not going to take up a lot of your time, but I do want
14 to give you a brief overview of what we as the postal
15 services do in northern Illinois.

16 Just to give you a little bit of an idea,
17 we have responsibility for three processing plants in
18 the Northern Illinois Postal District. That's the
19 Rockford plant here, the Palatine plant --

20 Is that better? It's not? Okay. I'm sorry.
21 I'm not quite as tall as Bill, so I needed to adjust it
22 a little bit.

23 -- and we have the Carol Stream plant that
24 serves the 601 and 603. Altogether we serve 201 post

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1 offices. So we don't cover a huge area geographically,
2 but we cover a very big area in terms of the customers
3 we serve.

4 We make 1.2 million deliveries every single
5 day. That's 1.2 million addresses that we could
6 potentially make if everyone had mail, and
7 155 million dollars in revenue the postal service in
8 northern Illinois takes in each month. To put that
9 in an annual term, that's 1.7 billion dollars. So
10 from a revenue standpoint we are a big producer in
11 this area.

12 We have 11,000 employees on the rolls.
13 That's the total Northern Illinois District. That's our
14 three plants, our 201 post offices, and the positions
15 that go into supporting those.

16 Just to give you a little picture -- and I
17 will try to stay closer to the mic. But you see that
18 we have -- you just sort of see this line of travel here
19 (indicating). We have got the Rockford plant. You see
20 where Palatine is located in relationship to that. You
21 see the little star that says "CNSH"? That's the
22 Chicago Metro Service Hub. We call that the Bussey
23 (phonetic) plant. That's where all of our mail from
24 Palatine, Carol Stream, and Rockford goes. It's known

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1 as the gateway to the world.

2 So everything that is going to be flying out
3 or that is not in our local area is going to that CNSH,
4 Chicago Metro Service Hub plant. So much of your mail
5 is on its way there even tonight as we speak.

6 To give a little bit of -- just to show you
7 how the plants stack up to each other, you see that
8 when it comes to the pieces per day that we process in
9 Rockford, we are doing about 1.1 million pieces. At
10 Palatine we do about 4.8 million.

11 Cancellations, where we put the postmark on
12 the mail -- and I don't know how big of a postal
13 audience I'm speaking to, so postal people forgive me if
14 I overexplain, but I want to make sure that I don't use
15 too many postal acronyms that the general public might
16 not understand.

17 So the amount of pieces that we postmark
18 every day in Rockford is about 230,000. In Palatine
19 we are doing about 787,000 a day and have the capability
20 there to do far more than that. In Rockford we do a
21 five-day cancellation operation Monday through Friday.
22 In Palatine we do a Monday through Saturday operation.

23 When it comes in terms of our equipment,
24 an AFC is an automated facer canceller. That's the

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1 mail that takes it in any way that you may put it, throw
2 it into that blue box. It puts it all so that it's all
3 going the same way. It applies the postmark to the
4 mail. We have two of those here in Rockford. We have
5 nine of those, and those are extremely high-capacity
6 machines.

7 An OCR, you are probably familiar with
8 that term because they have been using it in the grocery
9 stores for years, that is an optical character reader.

10 That's where we are able to read your mail without
11 a human eye even looking at it. Do that at very
12 high capacity. Put a bar code on that mail. There's
13 two of those here in Rockford and six of those in
14 Palatine.

15 An AFSM is automated flat sorting machine.
16 AFSM, the 100, just indicates that it's a better model
17 than its predecessor, kind of like with cars. One of
18 those here in Rockford, five in Palatine.

19 Plant size, comparatively speaking we have
20 a 244,000 square foot plant here. We have a
21 629,000 square foot plant in Palatine. We have
22 274 employees working your mail here in the Rockford
23 plant and 1,644 in the Palatine plant.

24 To let you know as Mr. Galligan was speaking

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1 about the decline in the single first class piece,
2 single first class pieces, that's the mail that we
3 cancel and put the postmark on. And just like the
4 nation has seen, we have also seen a decline in that
5 type of volume in northern Illinois.

6 We have grouped it together. In the first
7 grouping you can see that in 2004 SPFX -- in postal
8 lingo that's same period last year. So in 2004 we lost
9 2 percent of the mail that we were canceling. That
10 equated to 9.5 million pieces of mail.

11 2005 wasn't quite as substantial, a 1.6
12 percent reduction. But, again, still almost 7 million
13 pieces of mail less than we canceled the year before.
14 So when you add that together, you see you are really
15 getting up to -- you're over 16 million pieces. Again,
16 this year we see the same trend as we saw in 2004. We
17 are already running another 2 percent under.

18 When you break that down in Rockford, that's
19 a little under 1 percent this year so far. In Palatine
20 we are 2.4 percent under. So you see some of the
21 capacity that's there, and our Carol Stream plant is
22 running about 1.8 or nearly 2 percent under. So we are
23 continuing year after year to see less and less of that
24 single piece first class mail.

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1 the postal service in northern Illinois is doing a
2 little over 96 percent, and we take that extremely
3 seriously in every one of our plants and post offices.
4 That's a very important mission to us that we
5 continually work to get your mail to where you intend it
6 to go on time.

7 I have a couple of other comments just so you
8 know how the evening will work. We have a few other
9 presenters. We will have a public comment hearing until
10 7:45 p.m. We know that there's a lot of people here.

11 In fact, there's more people than we had
12 capacity. So we have three employees from our consumer
13 affairs office, and they have cards that you can fill
14 out at the end. They will be here to take your
15 comments. So if you are not able to get up in the
16 public comment period, we will have people here. We
17 want to hear your comments and make a record of that.

18 So if I could have Drew Langston, Jackie
19 Brown, and Chris Basillec, if you would just stand up
20 so everyone knows who you are. They will be around
21 after the meeting is over, and they have got cards for
22 you to fill out. So we don't want anybody to leave
23 here without being able to make a record of their
24 comment.

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1 So just to give you a picture of our service
2 performance. We are measured on how we do in
3 transporting your mail from the point that you deposit
4 it to the point that we deliver it, and our acronym for
5 that is EXFC. That stands for external first class.
6 It's a measurement system.

7 The external means that it's not a
8 measurement that we do ourselves. We contract -- our
9 contractor right now is through IBM, and they -- postal
10 employees are not involved in this measurements. So
11 it's truly an independent measurement of how we do
12 service performance-wise. All of the plants in northern
13 Illinois do an excellent job in processing the mail in a
14 timely manner.

15 The Rockford plant, the most recent postal
16 quarter, Postal Quarter 2, the Rockford plant was at
17 95.6 percent of the mail intended for the overnight
18 delivery area was delivered overnight; and that's,
19 again, a benchmark of 95 percent. That's the nationwide
20 goal. So you can see that they have been performing
21 above that goal.

22 The Palatine plant quarter 2 hit a
23 96.3 percent on-time service rate. Our plant in Carol
24 Stream did a 96 percent. So we roll that all up, and

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1 At this point I'm going turn it over to Rich
2 Carter from Congressman Manzullo's office.
3 MR. RICHARD CARTER: Thank you, Nancy. Good
4 evening. My name is Rich Carter. I'm director of
5 communications for Congressman Don Manzullo and the U.S.
6 House Committee on Small Business.

7 As Mr. Galligan mentioned earlier,
8 Congressman Manzullo had to fly back to Washington, D.C.
9 last night after his wife Erica injured herself. The
10 tests revealed that she has a fractured vertebra. The
11 family is awaiting several treatment options as we
12 speak. As a result, the congressman could not be here;
13 and he asked me to fill in for him tonight.

14 I will start off by reading an opening
15 statement from the congressman. Then we will hear from
16 several prescheduled speakers, and after that we will
17 open the microphone to those in the audience who wish to
18 make a statement.

19 I will now read the statement Congressman
20 Manzullo prepared for tonight's forum.

21 "I want to thank the United States Postal
22 Service for agreeing to have this open forum concerning
23 the proposed elimination of the cancellation center in
24 Rockford and the consolidation of our operation with

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1 Palatine.

2 "I want to commend Postmaster General Jack
3 Potter for his outstanding leadership at the United
4 States Postal Service. Jack started his career as a
5 mail clerk and worked his way up to the top. He is
6 highly respected by all postal employees for his candor
7 and desire to reform the U.S. Postal Service, which is
8 in the midst of severe challenges from e-mail and other
9 nontraditional methods of communication. I also have
10 the highest respect for his openness and willingness to
11 work with Congress. On several occasions, he has
12 responded favorably to the concerns of the House Small
13 Business Committee, which I chair, so as to ensure small
14 business participation within the postal service's vast
15 procurement system.

16 "Rockford's efforts to keep open the
17 cancellation center here is not an assault upon the
18 postal service's nationwide consolidation effort, but
19 rather a good faith effort to demonstrate that Rockford
20 falls within a very narrow exception identified by the
21 postal service itself that it will not allow
22 consolidation if delivery service is compromised by the
23 closing of a cancellation center.

24 "The purpose of this forum is to demonstrate

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1 that Rockford's cancellation center is superior to that
2 of Palatine. Again, this is not meant as a criticism
3 of the employees in Palatine. Testimony this evening
4 will show heavy loads, road congestion, demographics,
5 and exploding population growth make it unwise to
6 overburden the Palatine facility.

7 "As the United States Congressman who
8 represents two huge population areas with one having
9 Rockford and the other having Palatine as cancellation
10 centers, I am in a personal position to evaluate these
11 facilities based upon our own experience. One-day
12 service, as we enjoy five days a week in Rockford, is
13 essential to the business climate of Rockford, which has
14 led the nation in unemployment during the recession in
15 the early '80s and continues to be severely challenged
16 by the loss of thousands of manufacturing jobs. One-day
17 service is also crucial for my office's communication
18 with and on behalf of my constituents. Hundreds of time
19 sensitive documents are mailed yearly from my office
20 concerning issues of immigration, business transactions,
21 and the like.

22 "On Friday I received an e-mail from a
23 constituent in Galena who couldn't be here tonight but
24 asked me to share her thoughts, which I believe are a

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1 perfect example of why we must not consolidate mail

2 cancellation operations from Rockford to Palatine.

3 Here's her letter:

4 "Dear Congressman Manzullo:

5 I live in Galena and receive the Rockford
6 Register Star via U.S. mail. Galena doesn't have home
7 delivery. On Monday through Saturday, the papers arrive
8 in my post office box on the same days; they are all
9 mailed to Galena from the Rockford post office. The
10 Sunday paper, however, usually arrives on Thursday . . .

11 that's because Saturday night's mail goes to Palatine.
12 "I've had other negative experiences with

13 mail that goes through Palatine.
14 "In April, we mailed 200 invitations on a
15 Saturday . . . in Rockford, to people in Rockford.

16 They went to Palatine, and the invitations did not
17 arrive back in Rockford until the following Thursday and
18 Friday.

19 "Last Friday, we mailed 125 postcards in
20 Galena to people all over the Midwest. People received
21 them on Saturday and Tuesday (Monday was Memorial Day);
22 they went through Rockford.

23 "When I mail things in Galena to
24 Rockford . . . on any day other than Saturday . . .

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1 people receive them the very next day and vice versa.

2 "I have a side business, selling collectibles
3 and books on-line via ebay.com and half.com. I have
4 688 'positive' feedbacks, and most of them comment on
5 how quickly they received their orders . . . and it's
6 all because the orders were processed in Rockford.

7 "Since I learned that Saturday's mail goes to
8 Palatine, I don't mail things on Saturday anymore. I
9 wait until Monday. It gets where it's going faster that
10 way.

11 "There's something wrong with the Palatine
12 operation; the quality of their service is terrible.
13 Palatine can't handle the current volume. Sending all
14 of Rockford's mail to Palatine will only make it worse.
15 This isn't about turf . . . it's about service!

16 "Please feel free to share my comments with
17 the postal officials. Or . . . tell me how to write to
18 the appropriate officials.

19 "Thanks for your cooperation.

20 "Kathleen Webster. Galena, Illinois."

21 Congressman Manzullo also asked me to submit
22 several documents for the record, including petitions
23 signed by 5,598 residents and business owners supporting
24 continued mail cancellation operations using Rockford.

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1 These documents also include 36 resolutions of support
2 from local governments in the region.

3 Before we begin with the speakers, I would
4 also like to acknowledge that we have Sara Nelson from
5 Senator Durbin's office and Anita Decker from Senator
6 Obama's office here tonight. We thank them for coming
7 and supporting our effort.

8 Now we will hear from our first presenter
9 Greg Voiles, president of the American Postal Workers
10 Union Rockford Local 79. Greg.

11 MR. GREG VOILES: Good evening, ladies and
12 gentlemen. Thank you for coming here tonight. My
13 name is Greg Voiles. I'm the president of the American
14 Postal Workers Union, Rockford, Illinois, Area Local
15 No. 79. I am 46 years old. I reside at 4604 Cross
16 Country Drive in Loves Park, Illinois.

17 In addition to my union position, I also
18 work as a relief clerk in the customer service office at
19 the main post office. I perform a variety of jobs doing
20 the relief position, such as mailing requirements,
21 passports, bulk mail, just to name a few.

22 I have probably worked for the United States
23 Postal Service for the last 22 years of my life. During
24 that time I have become familiar with most all of the

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1 functions involved in mail processing. The Rockford
2 processing and distribution center's area of
3 responsibility is basically the entire northwest part of
4 the state of Illinois.

5 Roughly that area runs from where I-39
6 intersects with I-88, and then it would be north all the
7 way to the Wisconsin border and then west all the way to
8 the Mississippi River. There are over 50 cities and
9 towns within our area of jurisdiction.

10 Currently with the exception of Saturday,
11 first class stamped mail that is received from any city
12 within our jurisdictional area is first sent to Rockford
13 for cancellation and then sorted to its correct
14 destination. For example, if a letter were to be mailed
15 from East Dubuque to an address in East Dubuque, the
16 letter would be trucked to Rockford for cancellation and
17 then trucked back to East Dubuque for delivery.

18 If that same letter were to be mailed on
19 Saturday, it would first be trucked to Rockford,
20 unloaded, then placed on another truck and taken into
21 Palatine for cancellation. Then it would be loaded back
22 onto a truck and trucked back to Rockford for sorting,
23 then trucked back to East Dubuque for delivery. The end
24 result in this is more handling and more transportation,

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1 which invariably increases the margin for error.

2 On average, the Rockford processing and
3 distribution center efficiently cancels between 200 and
4 300 thousands of pieces of first class mail each day.
5 Cancellation mail is generally first class stamped mail,
6 that would include statements of account for personal
7 communications.

8 First class periodical and standard mailings
9 are also known as bulk mailings that are presented
10 through the business mail acceptance units. Those type
11 of mailings generally use a different type of postage
12 payment that do not require cancellation.

13 The postal service has hired an independent
14 firm to measure how long it takes for a letter that is
15 dropped into a collection box until it actually gets
16 delivered. The measurement system is called EXFC. In
17 my opinion, the measurement system itself is skewed and
18 it has serious flaws.

19 EXFC scores are a component of supervisory
20 bonuses. First and foremost, the total amount of mail
21 that actually gets measured constitutes for only
22 17 percent of the entire mail volume. That leaves a
23 staggering 83 percent of mail that is not measured for
24 delivery standards. This is precisely where the problem

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1 comes into play.

2 The measurement system encourages managers to
3 hold back or delay unmeasured mail in favor of first
4 class stamped mail. Supervisors can easily identify
5 this measured mail versus the unmeasured mail simply by
6 the type of postage that's on the mail piece.

7 Once periodical and standard mail is
8 dedicated into the mail stream, those classes of mail
9 become mixed in with other first class mail. This
10 ultimately increases the chances of delaying the
11 measured first class mail.

12 For two weeks, a two-week period during mid
13 April, the Palatine processing and distribution center
14 sent the Rockford processing and distribution center
15 approximately 460,000 pieces of mail that was addressed
16 to ZIP codes beginning with 600. This was a huge mess.
17 There was all classes of mail that were mixed in this
18 mail that they had sent to us. There was first class,
19 periodicals, standard mail.

20 Much of the mail that we received from
21 Palatine was already delayed. There was dated material
22 that was scheduled delivery dates that had already
23 passed. There was delayed first class mail and standard
24 mail with issue dates as far back as January, some three

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1 months after the fact.

2 I actually felt sorry for the letter carriers
3 who had to face the customers and deliver this mail. It
4 had to have been an embarrassment.

5 The Palatine processing and distribution
6 center is a huge facility. On a piece of paper one
7 could make it appear that this facility could easily
8 absorb our 200 or 300 thousand pieces of mail each day
9 without much impact. The reality is that Palatine is
10 not handling the current volumes of mail that they have
11 on hand, much less than taking any more.

12 Many things can be attributed to the delay,
13 such as traffic congestion, heavy mail volume, new
14 growth within the communities that the Palatine office
15 serves. Bigger is not always better.

16 The Rockford processing and distribution
17 center is consistently ranked as one of the leaders in
18 the nation in terms of productivity and efficiency. The
19 idea of taking mail -- the idea of taking mail from one
20 of the most efficient and productive processing centers
21 in the nation and placing that mail into a less
22 efficient and productive processing center equates to
23 delayed mail.

24 Our customers in Rockford and our surrounding

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1 of reasons.

2 I am a member of a local law firm in town,
3 Holmstrom & Kennedy. As a primary user of the mail
4 service, it is important to my firm that we be able to
5 communicate in a timely manner with our clients, with
6 the courts, with other attorneys, and with third
7 parties.

8 A vast majority of our mail is delivered
9 within the Rockford area. We currently expect local
10 delivery in a day or two using the Rockford processing
11 and distribution center. Let me repeat that. We can
12 expect delivery within a day or two using the local
13 Rockford processing and distribution center. That alone
14 to me speaks volumes as to the efficiency of the current
15 local system.

16 Mail service locally is important to us. I
17 believe that moving the processing and distribution
18 center out of Rockford will simply increase the time it
19 takes to communicate with our clients and with third
20 parties. Not every law firm in town nor every client is
21 capable of communicating by an e-mail.

22 Local courts, although not including our
23 local federal court, do not accept electronic filings.
24 So there are procedural deadlines that can be impacted

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1 communities that we serve are accustomed to receiving a
2 high level of service. Postal workers in Rockford take
3 pride in their jobs and do not want to see the high
4 level of service compromised by this proposed
5 consolidation.

6 That's all I have. Again, I would like to
7 thank each and every one of you for coming here tonight
8 and showing your support. I appreciate it very much.
9 Thank you.

10 MR. RICHARD CARTER: Our next speaker will be
11 Michael Jon Shalbrack of Holmstrom & Kennedy.

12 MR. MICHAEL SEALEFRACK: Good evening. If you
13 can't hear me, let me know and I will try to move
14 forward to the microphone.

15 Good evening, Mr. Galligan. Welcome to our
16 community. My name is Michael Shalbrack. My purpose
17 in speaking this evening is to object to the proposal
18 being made by the U.S. Postal Service regarding a
19 decision to move the Rockford processing and
20 distribution center from Rockford, Illinois, to
21 Palatine, Illinois.

22 The recommendation to move the primary mail
23 distribution service out of Rockford, Illinois, would be
24 detrimental to the Rockford area for any one of a number

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1 by the delay in mail delivery service. Using an
2 expedited or overnight delivery service, including that
3 of the U.S. Postal Service, is not always a feasible
4 alternative because the increased cost of providing an
5 expedited service increases further the cost of our
6 providing our services.

7 If normal mail service is moved to Palatine,
8 Illinois, we have no assurance that the mail service
9 will continue in the same sort of time frame that we
10 now enjoy and expect; and we can reasonably expect that
11 the mail service will be slower for those items being
12 mailed to addresses within the Rockford metropolitan
13 area.

14 The Winnebago County Bar Association also
15 notes its objection to the proposed move. A resolution
16 was adopted by our bar association in January of '06
17 clearly stating that such a decision would adversely
18 effect and impact our business community and the members
19 of our association. I have copies of that resolution
20 available for Mr. Galligan's review and for other
21 members who are interested.

22 On a more personal standpoint, I should note
23 that my wife and her family run a mid-sized retail
24 establishment here in the Rockford area and have for the

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1 last 50 years. This business depends greatly on mailing
2 out monthly account statements for credit purchases and
3 to make payments to vendors, many of whom are located
4 here in Rockford, Illinois.

5 Like my law practice, they depend on the
6 swift delivery of mail for operational and for cash flow
7 purposes. The additional time it takes to deliver mail
8 to a distant location to sort it and return it to
9 Rockford and then repeat that process so that bills can
10 be paid by customers impacts economically my wife's
11 store and its customers as it does my law firm.

12 To be clear, time delays and diminished
13 service have a real impact on local businesses here
14 in the Rockford area. I believe that a recommendation
15 to move the Rockford -- the processing and distribution
16 center to Palatine diminishes also the status of
17 Rockford as a growing business center here in Illinois.
18 I further believe that it will be a hinderance to its
19 future economic development.

20 This community in Rockford is investing a
21 considerable amount of time and resources in
22 transportation, in manufacturing, and in modern
23 electronic services, such as high speed Internet, so
24 that we can compete head to head with other communities

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1 nationwide as well as international.

2 What does this say about a community if we
3 can't even take the position that we have a local mail
4 distribution center here and have to look to the Chicago
5 suburbs for that service. The negative intangible
6 impact on the Rockford community as well as the
7 expected economic impact grossly outweighs the
8 questionable cost savings and efficiencies that are
9 merely hinted at by the postal service studies that we
10 have seen thus far.

11 The recommendation to shift the distribution
12 service to Palatine from Rockford is simply a bad
13 decision. Respectfully, Mr. Galligan, I request the
14 that administrators of the U.S. Postal Service carefully
15 review and rethink this recommendation to move the
16 Rockford postal hub to Palatine. This area needs a
17 local processing and distribution center, and one should
18 be based here.

19 I would like to thank you for all your time
20 and consideration this evening. I appreciate the fact
21 that we have representatives from Washington here to
22 hear us out as well.

23 MR. RICHARD CARTER: Our next speaker is the
24 mayor of Machesney Park, Linda Vaughn.

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1 MAYOR LINDA VAUGHN: Good evening. I'm here
2 tonight to tell you how changes in the delivery service
3 would affect municipalities. Shifting outgoing mail to
4 Palatine could result in a delay of mail delivery by
5 several days. This is a great concern for me.

6 As the government unit with over 22,000
7 residents who rely on us for current and up-to-date
8 information, this is totally unacceptable. State
9 statutes require timely information be disseminated by
10 units of government and have set up strict guidelines
11 as to how this information should be noticed.

12 Some examples are as minor as parking tickets
13 that we send out. They have ten days to return the
14 money or their fine doubles. That doesn't equate to a
15 lot of dollars, but it increases the angry citizens and
16 I don't need more of them, neither does any
17 municipality.

18 Voter registration is closed for 28 days
19 before an election. On the last day to register
20 sometimes it is a handful of people; but for people in
21 the audience who are old enough to remember when Ross
22 Perot ran for president, we registered hundreds of
23 people on the last couple of days. By law we have to
24 get all of this information down to the county clerk's

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1 office.

2 If I'm not assured that I'm going to put it
3 in the mail and it will arrive in two days, then that
4 means that we physically have to put these forms in our
5 car and drive down there. That equates to lost time in
6 the office and gas, which is costly today.

7 Special or emergency meetings require 48-hour
8 notice. Getting a piece of mail on Thursday that was
9 postmarked on Monday for a meeting on Wednesday is bad.
10 Let me tell you the news media is just waiting for
11 something like this to happen because they are all over
12 us every time it does.

13 Zoning violation letters are sent out to
14 residents. They have 10 to 14 days to get their
15 violations cleared up before the matter is sent to
16 administrative hearing or a forced stop is ordered to cut
17 their grass and a resident is fined. Rerouting mail
18 could cut days off the time limit for residents and
19 business owners, giving them less time to correct the
20 violation.

21 Currently with the mail in Rockford notices
22 are delivered the next day. The administrative hearing
23 process requires the Village to send out summons to
24 residents specifically no more than 40 days or no less

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1 than 30 days before the hearing. Counting weekends, now
2 we have about eight days to get them prepared and
3 delivered to the residents.

4 Rerouting the mail through Palatine would
5 give us even less time to get these notices out because
6 we would have to take into account the extra time to go
7 all the way to Palatine, come back to Rockford, and it
8 would change to a two- to three-day window, not leaving
9 us much time to get the summons out to the residents.

10 Tax increment financing or TIF district are
11 one of the most effective economic tools available to
12 municipalities. As part of the district's state
13 statutes require multiple notifications to area
14 residents, taxpayers, taxing districts, and newspapers.

15 For example, one law requires a meeting
16 notice be sent to every resident within 750 feet of the
17 project boundary. This can include hundreds and
18 sometimes thousands of notices. These statutes also
19 mandate specific periods of time in which letters are to
20 be sent received and when legal notices are to be
21 published.

22 We rely on prompt and efficient delivery of
23 the mail to comply with these laws. Any delay in
24 delivery could jeopardize the process and cause the TIF

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1 to be challenged. In the worse case scenario, the
2 challenge could be upheld in court because of the
3 improper notification due to poor mail delivery.

4 In this case the municipality not only
5 loses the opportunity to undergo a redevelopment project
6 and increase its revenues; but it also loses thousands
7 of dollars, many thousands, in consultant and attorney
8 fees. Most importantly, if the mail is slowed,
9 rerouted, or delayed, the citizens who are impacted by
10 the development could lose their only chance to attend
11 an informational meeting and not be afforded the
12 opportunity to speak for or against the project.

13 These are examples of different ways the
14 Village of Machesney Park and all municipalities could
15 be effected by the decision to move the sorting and
16 distribution from Rockford to Palatine.

17 Let me close with a story about one -- a
18 personal story. This letter (indicating) was sent to me
19 by Congressman Manzullo's office here in Rockford. It's
20 dated January 27, postmarked January 28 in Palatine.

21 Ten days later I got it in this envelope (indicating).
22 What it was was a letter informing me of the
23 situation that is here before us tonight, to move the
24 processing plant from Rockford to Palatine. The

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1 congressman asked me to make the board aware of this and
2 to have them pass a resolution of support to keep the
3 processing plant here in Rockford. I missed the
4 deadline.

5 MR. RICHARD CARTER: Our next speaker will be
6 Rockford Mayor Larry Morrissey.

7 MAYOR LARRY MORRISSEY: Good evening. I
8 appreciate the opportunity, the indulgence to take my
9 comments out of turn. It is our city council meeting
10 tonight. I'm being ably assisted at the council meeting
11 in my absence by other members. They all do send their
12 support for our Rockford Postal Service this evening.
13 I will read in the resolution that was supported by our
14 city council.

15 First, I want to thank Mayor Vaughn. I don't
16 know that we can say it better than she said it with the
17 proof in her hand.

18 Whereas, Mayor Vaughn talked a little bit
19 about and focused on a lot of city specific issues we
20 face and our constituents face, what I would like to
21 focus a little more on is the district's economic
22 development impact that we feel this will have losing
23 this facility from the city of Rockford.

24 I would, again, like to start by thanking

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1 Congressman Manzullo for bringing this hearing
2 opportunity to us this evening. He's been a great
3 advocate for the city of Rockford. We appreciate his
4 continued support. Thank you.

5 Tonight I share the concerns of all of our
6 citizens faced with this issue of the loss of -- the
7 threatened loss of postal service levels and job losses
8 that would be a likely outcome of a move to sort the
9 Rockford mail to Palatine.

10 One of my main jobs as mayor of the city of
11 Rockford is to create an economic development
12 environment that's right for businesses and residents,
13 that leads to a high quality of life, and leads to
14 investment in our community. We need attractive and
15 well-kept buildings, modern and well-maintained streets
16 for public infrastructure, lower taxes that fairly
17 spread the burden of government across our community.
18 We need consistent and competitive communication
19 services through our mail delivery system. In short, we
20 need every competitive advantage that we can have in the
21 city of Rockford.

22 Unfortunately, Rockford has had more than
23 its share of competitive disadvantages. Right now we
24 have the highest -- I said the highest -- per capita

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1 crime rate of major cities in the state of Illinois.
 2 We have a significantly higher unemployment rate than
 3 the state and national averages. We have many crumbling
 4 state highways through our older commercial corridors
 5 particularly. We have also had a crisis in education
 6 with extremely high truancy rates and high school
 7 dropout rates.

8 One of the bright spots, however, that we
 9 have had has been our postal delivery service. Right
 10 now mail sorted through our Rockford facility gets to
 11 its local destinations consistently overnight, while
 12 mail sorted through the Palatine facility consistently
 13 fares much worse. And, again, I will point to Mayor
 14 Vaughn's experience.

15 No business or homeowner can afford
 16 unnecessary delays in their mail delivery, especially
 17 when that delivery means cash. If bills are delayed
 18 outbound and inbound, businesses and residents will
 19 suffer.

20 For the postal officials considering this
 21 move, remember this, business needs reliable and
 22 especially in case of emergencies, redundant systems for
 23 day-to-day communications. Reliability, consistency,
 24 and redundancy must exist in every critical delivery

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1 designed to enhance overall the bottom line of the
 2 postal service may actually result in a net loss to the
 3 U.S. Postal Service. If local customers don't have a
 4 reliable choice in delivery, they will choose other
 5 options to ensure delivery. Purchase and use of stamps
 6 would go down and down.

7 In that case any suspected efficiency gains
 8 projected by closing the Rockford sorting facility would
 9 indeed be a losing — they would be lost. In addition,
 10 should the Palatine center be forced to close, Rockford
 11 stands ready to take that volume. But without that
 12 redundancy, Rockford would suffer delays.

13 In closing, I want to thank the Rockford area
 14 employees of our sorting facility and our letter
 15 carriers who day-to-day run a great operation; and they
 16 have been a great part of the vision that I seek for the
 17 whole city, which is excellence everywhere. I hope that
 18 the decision makers recognize this great facility and
 19 keep it running.

20 Obviously, Rockford wants to protect our
 21 local economy and protect our local citizens from the
 22 loss of that sorting facility; but the Postal Service
 23 should be concerned enough with its own bottom line to
 24 keep this facility running. Thank you.

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1 system, whether we are talking about water delivery
 2 service or broadband Internet services.

3 Many Rockford residents found out recently
 4 what that can mean when we lost cable broadband services
 5 for just a few short days. If reliability, consistency,
 6 and redundancy is not present, then businesses in
 7 particular may choose to not locate here; or if they are
 8 already here, they may choose to find delivery of their
 9 critical systems through other communication systems.

10 The mail system in this area already relies
 11 heavily on the Rockford facility. Ironically Rockford
 12 is often called upon to sort Palatine's load when that
 13 facility is overwhelmed with volume. The suggested
 14 change will create widespread dissatisfaction with the
 15 postal services while Palatine is already overwhelmed —
 16 if Palatine is overwhelmed in the future. That will
 17 particularly hurt our area.

18 Dissatisfied consumers will likely seek
 19 alternative systems at an ever increasing pace if these
 20 main services are not maintained and improved in
 21 Rockford. We would lose the critical redundancy that is
 22 needed, especially in the age of sensitive homeland
 23 security threats to our postal service.

24 The tragic irony is that this measure

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1 I would just like to leave my prepared
 2 comments with Congressman Manzullo and with the hearing
 3 officers here; and I will attach to that the resolution
 4 signed by our city council supporting the maintenance of
 5 this facility in Rockford.

6 And, again, I trust that this hearing will be
 7 fruitful; and I am so proud to see the Rockford citizens
 8 show up in full force tonight, standing room only as we
 9 have it. Thank you for your support.

10 MR. RICHARD CARTER: Our next speaker is Gary
 11 Peters, president of the Rockford Area Chamber of
 12 Commerce. Mr. Peters.

13 MR. GARY PETERS: Good evening, everyone,
 14 distinguished panel, and guests, and representatives
 15 of the U.S. Postal Service. My name is Gary Peters.
 16 I'm president and CEO of the Rockford Chamber of
 17 Commerce.

18 I'm here today to testify on behalf of the
 19 Rockford Chamber and our 1,700 members to discuss why
 20 moving the mail processing operations to Palatine would
 21 not be good for the business community here in Rockford.

22 Let me begin by addressing how this would
 23 adversely affect the chamber and our customers. We are
 24 an organization that prides itself on strong business

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1 development and education.

2 One major way we achieve these goals is
3 through our programs and events. We have over 1,600 --
4 16 major programs and events a year, serving anywhere
5 from 100 to 700 people at each event. Each of the
6 events serves a different purpose, such as educational
7 networking and government affairs advocacy.

8 While we do promote these events through
9 our web site and e-mail, we rely very heavily on
10 communicating with our members through the U.S. mail.
11 We send over 30,000 first class pieces and 93,000 bulk
12 class pieces a year. These mailings represent an
13 integral part of our day-to-day business.

14 They are the invitations, advertisements,
15 publications, product orders, invoices, and payments.
16 This volume may not seem enormous to you, but it has a
17 huge impact on our membership. In the world of
18 consolidations, sometimes they can be good and sometimes
19 they can be warranted. However, in this case service
20 would definitely suffer.

21 In the chamber world it is common to share
22 experiences and business practices. I know I share this
23 with many of the presidents and CEOs of chambers. One
24 chamber in particular stands out in my mind as one who

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1 fine work they do in Rockford. I would like to thank
2 Congressman Manzullo for his leadership on this
3 important matter.

4 I appreciate the opportunity to testify
5 before the representatives of the U.S. Postal Service.
6 Again, I ask the United States Postal Service reconsider
7 its position by keeping the mail processing operations
8 here in Rockford.

9 In quoting what we have seen tonight in
10 the educational piece where, I think, you saw the same
11 thing I did where they were talking about the right
12 place, the right people, and the right time. Well,
13 Rockford is the right place, the right people, and it is
14 the right time. Thank you.

15 MR. RICHARD CARTER: Our next speaker is
16 Susan Kivikko from Holcomb Plumbing & Heating.

17 MS. SUSAN KIVIKKO: Good evening. Thank you
18 for giving me the opportunity to voice my opinion and my
19 experiences. My name is Susan Kivikko. We operate a
20 small business south of Rockford. Our client base
21 consists mainly of the rural population, farmers and
22 rural communities.

23 To be honest, for a small business we have
24 had an extraordinary amount of mail problems since

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1 has suffered immensely through an overstretched Palatine
2 processing distribution center. In fact, they call it
3 the black hole of Palatine.

4 The Crystal Lake Chamber of Commerce has
5 shared with us problems of member-sponsored mixer events
6 mailed 13 days before the event. Some of them not
7 arriving until the day of the event. Another example
8 they shared with us is 28-page newsletters which are
9 mailed a week before the beginning of the month,
10 however, some of them did not get it for 27 days later.
11 This is unacceptable.

12 Like the Crystal Lake Chamber of Commerce,
13 the Rockford Chamber of Commerce represents
14 manufacturers, retailers, health care services,
15 construction, and professional services. Each of these
16 industries rely one way or another on this processing
17 and distribution center here in Rockford.

18 I'm proud to say that we are extremely
19 satisfied with the sorting operations here in Rockford
20 and the level of service they provide us. I believe
21 this to be a classic example of the thankless work that
22 goes unnoticed unless something goes terribly wrong.

23 I would like to counter that by saying thank
24 you to all our Rockford Postal Service employees for the

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1 moving to our new location, which the ZIP Code changed
2 from 610 to a 601. At first it was sporadic and quickly
3 became a joke. But when it became a real nuisance and
4 what precipitated my letter and being invited to come
5 here was just one more example of the problems.

6 I didn't know anything about what happens on
7 Saturday; but I did discover on my own that I couldn't
8 mail my bills on Saturday, both from an accounts
9 receivable and an accounts payable.

10 When you are in a small business, you count
11 every dollar. You try and pass on every dollar savings
12 to the customer. When we receive a percentage and a
13 half discount on our invoices we bill out in time and
14 material basis, we pass that on to our customers.
15 So when we pay our bills by a certain date, we receive
16 that savings.

17 When our suppliers don't receive that
18 invoice, it becomes a problem at 1 1/2 percent. When
19 our invoices are late or don't arrive at all, then we
20 are charged the 1 1/2 percent to 2 percent which adds to
21 a 4 percent difference in what we charge the customer to
22 what they have to pay. Overtime that adds up. You are
23 talking about large jobs that are our bread and butter.

24 Also, some of the problems that are received

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1 are clients and our new customers are mainly primarily
2 by referral. They know the work that my husband does.
3 We don't skim on materials and compromise on materials
4 because of our customer service.

5 When we have to send subsequent invoices just
6 because they weren't received or we didn't receive
7 payment and we didn't know that, and all the customers,
8 new customers remembers is there was a problem and they
9 had to go back and see if their check was canceled or
10 not. It becomes a real issue, to be perfectly honest.

11 A good portion of our success is really
12 reliant on the postal service. We have become --
13 expected a level of excellence that comes out of
14 Rockford, Illinois. I end up driving my mail to
15 Lindenwood to make sure it goes through the Rockford
16 sorting facility.

17 While I'm not that picky, one day is great;
18 I like it. If it gets there in four to five days, I'd
19 be happy. We have honestly lost job bids from new
20 customers because they didn't get there and that's what
21 ended my exasperation with "What is the problem?"

22 And when I asked -- I sent it on Saturday.
23 They needed it by Thursday evening so they could make it
24 to the bank. They didn't receive it. I got my car and

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1 pay \$25 to cancel that check if it goes through later?
2 It's not something I'm counting on. It's an issue. It
3 becomes a real issue in my day-to-day operations in our
4 customer services.

5 Thank you very much. One of the things you
6 mentioned and some of the things from the soccer moms,
7 baseball, and at school is you were talking about the
8 Internet greetings. It has been a topic of conversation
9 among our community how they just don't mean as much as
10 receiving a piece of mail.

11 And with the sophistication of the Internet
12 worms and so on and so forth, people are actually
13 reverting back to sending greeting cards in the mail.
14 It's nice to receive something other than bills in the
15 mail. It just is. It's a reality.

16 One other thing, I did notice that the
17 Rockford sorting facility is down by .09 percent and the
18 Palatine sorting facility is down by 2.4. That's almost
19 150 percent difference increase percentage-wise. When I
20 heard about this possibility, I had already begun making
21 contingency plans on what I will do. I have already
22 done some of that, but all of the alternatives are
23 really -- they are not going to be cost effective. They
24 are going to cost a great deal of money.

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1 duplicated -- I got in my car, drove it there. They
2 received it on Monday. I asked where was the postmark.
3 It was postmarked out of Palatine.

4 I don't mean to denigrate any sort of
5 facility. I just know that Rockford works. And to be
6 perfectly honest, we really need that facility. We pay
7 our bills through this service. It's really what we
8 need to do, and I don't know how else I can adequately
9 express the importance of having it.

10 And the amount of problems, I wish I could
11 list them. I actually started to try to track it; but,
12 you know, as a small business, as chief cook and bottle
13 washer, I couldn't add one more thing. I have crossed
14 all my T's and dotted all my I's. To try and track the
15 problems: Where is this happening? When is it
16 happening? Is it four or five pieces or twice a year?
17 Sometimes it's accounts payable, receivable.

18 I started writing letters, and that's when I
19 was asked to please finish one of the letters that you
20 started, but I honestly did not think or have any
21 confidence that it would mean anything. That's how much
22 it affects us.

23 I just can't track it. Is it missing, or is
24 it late? Do I have to pay a late fee? Do I have to

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1 So 39 cents is cheap. I know people don't
2 want to hear that, but it is a reality. It will cost us
3 more. So if we have to pay more for postage, that's
4 fine. There's a lot of contingencies, and I know that
5 the percentage from Rockford will go down because we
6 will have to do something differently. That's just the
7 reality of it.

8 Thank you very much.

9 MR. RICHARD CARRIER: The next speaker is
10 Illinois State Senator Dave Syverson.

11 SENATOR DAVID SYVERSON: Thank you very much.
12 Good evening, distinguished guests. Representatives
13 from Senator Durbin and Senator Obama's office, thank
14 you for taking time to join us. Citizens of Rockford,
15 the Rockford area, and certainly to the great workers
16 of the Rockford postal office, thank you for attending
17 here tonight.

18 On behalf of the 230,000 citizens that I
19 represent in the Illinois senate, we stand here tonight
20 in opposition to this move of the sorting hub. I want
21 to thank Don Manzullo for his leadership on so many
22 issues but certainly on this issue that he has been out
23 front on.

24 It is unfortunate that he can't be here. It

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1 is nice for once that Don is taking care of Frida
2 instead of Frida taking care of him for the last
3 20 years, but we appreciate Don's leadership on this
4 issue.

5 What I would like to do is take a little bit
6 of a different attack in my comments, and that is what
7 is the role of government. The role of government is
8 service. Every day in government we make decisions
9 based on service, not just on the cost effectiveness of
10 a project or a proposal.

11 Yes, efficiency is an important issue; but on
12 the scale of cost efficiency versus service, in
13 government we need to be siding on service. When we
14 look at the State of Illinois, we always make decisions
15 based first on jobs, the economy, and service.

16 When it comes time to build prisons in
17 Illinois, we build them where they are most economically
18 needed, not where it's the most economically efficient.
19 When it comes to building roads, we don't build roads
20 where it's the most economic, we build roads where the
21 people need roads built.

22 When it comes to even housing, we are moving
23 away from high-rises and going to scattered housing,
24 it's the right thing to do, not because it's necessarily

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1 banks based on our asset size of 5.4 billion dollars.
2 Amcore has 76 locations in Illinois and Wisconsin, and
3 we are one of the Rockford post office's largest
4 customers.

5 For many of you who are here this evening
6 as postal workers and for many of you who are citizens
7 of our community, we thank you for being our partners
8 because we rely on you for so much of our business.

9 For those of you who are in the audience,
10 many of you perhaps are clients, and so you understand
11 from that standpoint the importance that you provide to
12 our customers. All incoming and outgoing mail for our
13 company goes through our Rockford headquarters.

14 On a monthly basis we send out approximately
15 300,000 pieces of mail at a cost of more than \$115,000
16 per month. That's 300,000 pieces of mail per month at a
17 cost of \$115,000 per month. Now, in the grand scheme of
18 things and the numbers we saw earlier this evening,
19 that's not much; but for our company that's a lot of
20 money.

21 At the end of each quarter the number of
22 pieces of mail goes up by another 60,000 pieces due to
23 an increase in the number of statements that we send
24 out each quarter. The information that we send out is

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1 the most cost effective. If government really wants
2 to be cost effective, maybe the federal government
3 should cancel the 15 billion dollar O'Hare expansion and
4 fly out of Rockford.

5 Losing jobs, also, is an important part of
6 this. It's been mentioned earlier how important these
7 jobs are to Rockford. I can tell you Palatine needs
8 another job like Don Manzullo needs another polyester
9 suit. We need those jobs. They are important to our
10 community.

11 So we are urging you tonight, because you
12 will consider what to do with this, that you will look
13 at the importance and the role of service in government
14 and what is the right thing to do, not necessarily what
15 is always the most cost effective. Thank you.
16 God bless.

17 MR. RICHARD CARRIER: The next speaker is
18 James Waddell, vice-president of Amcore Bank.

19 MR. JAMES WADDELL: Good evening. My name
20 is Jim Waddell. I'm executive vice-president and
21 chief administrative officer for Amcore Bank. Amcore
22 is one of the city's largest employers with over 900
23 employees locally and 1,700 in total through our system.

24 We are also one of the top 100 largest U.S.

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1 crucial to our customers. It's important that they
2 receive this information, their financial statements in
3 a timely manner.

4 We measure our people internally to make sure
5 we get our statements out on time; but it really doesn't
6 make any difference how well we do if the statement
7 isn't in the hand of our customer at a time that we
8 expect it to be there.

9 Every day on the incoming side we receive
10 about 1,500 pieces of mail, bringing our monthly total
11 to about 45,000 pieces of mail. Again, much of this is
12 time sensitive. Much of it has to do with third parties
13 coming to us with requests that are necessary in the
14 banking industry.

15 As a large-volume user of the Rockford post
16 office, we need the sorting of mail to remain local. A
17 three- to five-day delay in outgoing and incoming mail
18 would impact our customers and our business
19 significantly. The numbers that I just mentioned prove
20 how much we rely on the Rockford post office to deliver
21 important messages to our customers. A lot of what we
22 do is time sensitive, and our customers can't afford a
23 delay.

24 Aside from the business aspect, a metro

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1 region of this size deserves to have its own post office
2 with sorting capabilities. The Rockford post office is
3 an integral part of this community. Businesses,
4 residential customers are all reliant on the services
5 that this post office and the trust that when they put a
6 stamp on a piece of mail, it's going to get to its
7 destination on time and in a timely manner. If you
8 take that service away from Rockford, then you are
9 helping to take away that sense of trust.

10 On behalf of Amcor, I urge you to reconsider
11 moving the services to Palatine and continue to make the
12 Rockford post office the trusted organization that it is
13 today. Thank you.

14 MR. RICHARD CARRIER: The next speaker is Doug
15 Price of Midwest Mailworks.

16 MR. DOUG PRICE: I, too, would like to
17 thank the panel for being here and giving me the
18 opportunity to speak on behalf of Midwest Mailworks and
19 our clients. My name is Doug Price. I am a partner at
20 Midwest Mailworks.

21 We are a pre-sort letter shop and fulfillment
22 operation originally established 25 years ago under the
23 name of Rockford Presort. Midwest Mailworks currently
24 employs about 30 people at facilities here in Rockford

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1 mail, we made a decision to enter all of our Rockford
2 branch mail at the Rockford post office.

3 Many of our clients that request their
4 delivery of the mail to the Palatine facility are
5 strongly encouraged to reconsider and mail out of
6 Rockford. Recently we chose to drop ship some
7 Standard A mailings to the Palatine facility in order
8 to garner some postage discounts under the USDS
9 destination system.

10 Once again, we were let down and have been
11 left trying to explain to our clients why some of the
12 mail seems to have been delayed up to two weeks.
13 Because of this, we are no longer participating in that
14 program when it involves entering mail at Palatine.

15 Just recently the Palatine, Illinois,
16 facility and their poor performance was the topic of one
17 of our associations on-line group discussions. Many
18 major mailers from throughout the Great Lakes region
19 were voicing their dissatisfaction with Palatine.
20 Facts being what they are, one wonders if it wouldn't
21 make more sense to transfer some of the Palatine
22 facility operations to Rockford.

23 Most concerning to me is this: If the
24 operations currently being considered for transfer are

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1 as well as in Rock Island, Illinois, depositing over
2 30 million pieces of mail annually, which generates over
3 10 million dollars in postage revenues. This is the
4 equivalent of over 125,000 and over 45,000 pieces in
5 postage every day.

6 We have been active members in industry
7 associations, including the National Association of
8 Presort Mailers and the Mail Fulfillment Services
9 Association, the last of which I have served for
10 two years on the postal and government affairs
11 committee.

12 For over 20 years I have worked on a daily
13 basis with personnel at the Rockford, Illinois, post
14 office. Over that time our clients have received not
15 just consistent but what I consider exceptional delivery
16 on that mail that's deposited at the Rockford, Illinois,
17 post office. This delivery performance applies to local
18 and nationally destined mail.

19 Complaints from our customers of lost,
20 misdirected, or delayed mail is virtually
21 nonexistent on mail entered from the Rockford facility.
22 Palatine is another story. Midwest Mailworks used to
23 deliver sizeable portions of mail to Palatine; but after
24 numerous complaints of lost, misdirected, and delayed

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1 approved, in the future our functions equally critical
2 to the timely delivery of our clients' mail may also be
3 considered for transfer.

4 Our belief is that it would be a poor
5 business decision to sacrifice service standards in an
6 effort to improve the bottom line. This belief holds
7 true not only for the bulk business mail of our clients
8 but also for the small business community and the
9 citizens of the Rockford region.

10 Once again, I would like to thank the panel
11 for this time this evening.

12 MR. RICHARD CARRIER: The next speaker is
13 Rockford Alderman Frank Beach.

14 MR. FRANK BEACH: I left the council early.
15 I asked the mayor if it would be all right, and he said
16 it would be.

17 I am truly happy to be here and thankful that
18 you have decided to come and listen to us here in
19 Rockford. That's very important dialogue. I represent
20 approximately 12,000 people. I've not met one since
21 this discussion came that says they are really happy
22 about the thought of interrupting our postal service
23 here.

24 What you have heard tonight over and over

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1 again is really top notch. It's good. It's
2 in place, and it works. I must tell you that I
3 understand the importance of a high level of service
4 at the lowest possible cost, not only to the general
5 public and the business community but to you, the post
6 office.

7 I find it yet hard to understand your
8 consideration to balance the cost, if you will, on the
9 back of our community. Rockford is a growing business
10 center. We must do all we can to promote and not hinder
11 a healthy future for our economic development.

12 Our community through creative partnerships
13 and the help of our state and federal officials is
14 investing significant capital to ensure that we can
15 continue to compete in the global marketplace and yet
16 there's talk about losing our local trademark, if you
17 will, and our distribution center. It doesn't make
18 sense to me at all.

19 We have a great -- thank you. We have a
20 great deal of civic pride here in Rockford, and losing
21 our processing center will have a negative impact on
22 economic development.

23 My closing comment is that the cost savings
24 are not always measured in dollars and cents. The

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1 electronic deposits of checks and everything. Most of
2 our employees use that. However, there are 600 of our
3 employees that don't have the means to do that. They
4 can't afford to have checking accounts. Therefore, they
5 must have their checks mailed to them. Now, these are
6 the employees that are in the lower pay ranges. They
7 live paycheck to paycheck. So any delay in their check
8 will be detrimental to them.

9 Let's talk about what we are all about at
10 Rockford Health System, and that's people's health. We
11 have talked about finances, but let's talk about the
12 health thing. Our physicians and caregivers depend on
13 information, timely information. Our physicians write
14 time sensitive prescriptions to mail to patients. If
15 these prescriptions do not arrive in time, the patient's
16 care is interrupted and their health could be in
17 jeopardy.

18 Another thing we do have is -- we are modern,
19 like I said. We do have electronic data transfer; but
20 there are some documents that are impossible to fax or
21 send electronically, and we depend heavily on the mail
22 service to transfer that data from caregiver to
23 caregiver. Again, delays delay treatment and, again,
24 they could affect a person's health. This is

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1 hidden intangible costs can affect us in many ways.
2 They can far outweigh any cost savings real or perceived
3 by the postal service.

4 Please give serious thought to the disruption
5 of good services to the Rockford area; and like this
6 other gentleman said, perhaps you should consider moving
7 the processing center from Palatine to Rockford.

8 Thank you.

9 MR. RICHARD CARRIER: Our last speaker is
10 Stuart Wasilewski of Rockford Health Systems.

11 MR. STUART WASILEWSKI: Good evening. I
12 am here to represent Rockford Health System. We are one
13 of the major employers in the region. We have about
14 3,000 employees, and we spend about \$600,000 annually on
15 postage.

16 By the way, thank you, post office workers,
17 you are doing a fantastic job for us. When I got here
18 tonight, I thought I was to represent Rockford Memorial
19 Hospital; but seeing the green area here (indicating),
20 there are eight other hospitals and several thousand
21 health care providers that exist in this area. So how
22 this change will affect us will affect them, also.

23 First, I would like to talk about our
24 employees. We are a modern facility. We have

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1 patient safety issue, which is a national initiative
2 by the United States government, patient safety.

3 The other area we do have to take care of
4 our finances, and we have a billing and a payment cycle.
5 For each day there is a delay in that cycle, both
6 mailing a bill out or having a bill paid coming
7 into us dramatically increases our accounts receivables.

8 Now, I think a lot of business people can
9 understand that cash flow is very important to keeping
10 your day-to-day operations going. We are talking in
11 the vicinity of almost 1 million dollars a day for one
12 day's interruption.

13 So with that said, I would like for this
14 panel tonight to reconsider keeping the sorting service
15 here at the Rockford post office. We would like to see
16 the government do something for this community, not do
17 something to it.

18 Thank you.

19 MR. WILLIAM GALLIGAN: I would also like to
20 recognize we have Illinois State Representative Dave
21 Winters in the audience tonight. Thanks for being here,
22 Dave.

23 I want to thank all the community leaders who
24 you have heard from tonight. I would like to note that

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1 from the state senator, I believe, because if we didn't
2 have the 15 billion to go to O'Hare, I wouldn't be on a
3 tight schedule to get out of Rockford tonight to a board
4 meeting tomorrow morning.

5 We have heard you loud and clear. I think
6 the terms resinate, reliability, consistency from the
7 Rockford mayor; that says it all. I mean, that's what
8 we are all about as an organization. We have decisions
9 to make. We have financial difficulties, but we have
10 heard you and we are going to have to take this back in
11 and work on it.

12 We will work on the issue internally and
13 externally with capital hill, with the congressional
14 staffs that were here tonight. We have some work to
15 do. So going forward, we have some next steps. We
16 are going to take our time. For now this plan is on
17 hold, off the table at the present time; but we will be
18 certainly working through it.

19 Mayor Vaughn, a little known secret is on
20 the back of every envelope there's a little bar code.
21 If you turn that envelope over to us, we will tell you
22 every machine that went through every time by the
23 second, and it will tell us what machines anywhere in
24 the United States handled that end to end and tell us

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1 even charter that we have to operate in. So we have
2 this balance of service and cost.

3 We will continue to work in that direction to
4 give you the sense of trust you deserve and the
5 reliability and consistency that you pay for when you
6 post a stamp, post a piece of mail in the United States.

7 I thank you all for your turnout and
8 certainly we will be working very closely
9 with Congressman Manzullo on this issue.

10 Thank you.

11 (Whereupon, at 8:05 p.m. the public forum was
12 concluded.)

13 * * * * *

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1 the day it went to the carrier for delivery. So we
2 will gladly do that.

3 To the customer -- I think she's left. Any
4 envelope like that, if you want resolution on it, we
5 know. There's intelligence to the mail. And speaking
6 up and telling your problems, we can solve a lot of
7 issues certainly. What was the woman's name? The woman
8 right there (indicating). If you turn those envelopes
9 over to us, we can solve your problem.

10 MS. SUSAN KIVIKKO: To who?

11 MR. WILLIAM GALLIGAN: Local district staff,
12 district manager of northern Illinois.

13 That's the capability we have, but that's not
14 to solve tonight. So I do give you my assurance that we
15 have heard you loud and clear. We will not be able to
16 take general questions from the community or statements.
17 We do have our consumer affairs staff available to take
18 written comments.

19 So until Rockford gets that 15 million to
20 keep me here longer, I have to say I am going to be
21 heading out. Sense of trust, let me leave on that
22 note. I heard the term, and that's the proud legacy of
23 the U.S. Postal Service. The post office department
24 established a governmental change in 1970 to this break-

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1 C E R T I F I C A T E

2
3 I, JULIE ANDREONI CASTREE, Certified
4 Shorthand Reporter, Registered Professional Reporter,
5 and Notary Public, do hereby certify that I am a court
6 reporter doing business in the city of Rockford; that I
7 reported in shorthand the United States Postal Service
8 Public Input Forum on June 5, 2006; and that the
9 foregoing is a true and correct transcript of my
10 shorthand notes so taken aforesaid.

11 I further certify that I am neither counsel
12 for nor related to or employed by any of the parties to
13 this action and that I am not a relative or employee of
14 any counsel employed by the parties hereto or
15 financially interested in the action.

16 Dated at Rockford, Illinois, this 19th day of
17 June, 2006.

18
19
20
21 JULIE ANDREONI CASTREE
22 Certified Shorthand Reporter
23 Registered Professional Reporter
24 License No. 094-002357
Notary Public, Winnebago County,
Illinois

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