



September 21, 2011

Ms. Kay M. Murphy  
City Clerk  
317 4<sup>th</sup> Street, NW  
Bemidji, MN 56601-3116

Dear Ms. Murphy:

This is in response to your August 23 letter to former Postmaster General John E. Potter, transmitting a copy of Bemidji City Council Resolution No. 5709.

Thank you for sharing the City Council's resolution. I appreciate the opportunity to provide you with information about the Area Mail Processing (AMP) feasibility study at the Bemidji Customer Service Mail Processing Center (CSMPC). The U.S. Postal Service is a self-supporting agency that funds its operations from the revenue generated by the sales of our products and services—not taxpayer subsidies received through the Congressional appropriations process. To our great concern, the Postal Service is experiencing significant financial challenges related to declining mail volumes and revenue. In the four year period through fiscal year 2010, mail volume declined 20 percent, resulting in net losses over the period of just over \$20 billion. We are currently projecting a net loss of up to \$10 billion by the end of this fiscal year and a \$20 billion shortfall by 2015. In the face of such difficulties, the Postal Service must evaluate its processing and distribution network to determine if savings and efficiencies exist.

On a national basis, it has been quite evident for a long period of time that excess capacity exists in our mail processing network, largely as a result of declining First-Class Mail volumes due to electronic diversion, changes made by businesses in the way they present mail to us, and continuing technological advancements in mail processing equipment. The current financial landscape and its detrimental consequences to the Postal Service have significantly exacerbated this excess in our network capacity and the necessity to address it.

The intent of the AMP study at the Bemidji CSMPC, initiated in June 2011, was to ascertain whether efficiencies and savings could be achieved by consolidating mail processing operations of the facility into the Saint Cloud Processing & Distribution Center (P&DC), while maintaining our strong level of service. However, on September 15, the Postal Service proposed several comprehensive changes to its nationwide infrastructure. One of the proposals under consideration includes studying nearly 250 processing facilities for possible consolidation or closure. As part of this nationwide initiative, the Postal Service is now conducting a feasibility study to determine if efficiency could be increased by consolidating mail processing operations of the Bemidji CSMPC with those performed at the Minneapolis P&DC instead of the St. Cloud P&DC.

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Please know that no decision has been reached in this new Bemidji study, which began September 15. While study times vary depending on the complexity of each location, it is expected to take about three months to analyze financial information, collect public feedback, review the information and render a decision. Please be assured that postal officials are devoting careful attention and effort to this study. I am taking the liberty of sharing the City Council's resolution with North land District postal officials for consideration.

Thank you for writing.

Sincerely,

William J. Weagley  
Manager, Government Relations Response



September 29, 2011

The Honorable Joe Manchin, III  
United States Senate  
Washington, DC 20510-4804

Dear Senator Manchin:

This responds to your August 22 letter on behalf of Mr. Lonnie Harvey of Princeton, regarding the Area Mail Processing (AMP) study at the Bluefield Customer Service Mail Processing Center (CSMPC).

Thank you for sharing Mr. Harvey's concerns. As you are aware, the U.S. Postal Service is a self-supporting agency that funds its operations from the revenue generated by the sales of our products and services—not taxpayer subsidies received through the Congressional appropriations process. To our great concern, the Postal Service is experiencing significant financial challenges related to declining mail volumes and revenue. In the four year period through fiscal year 2010, mail volume declined 20 percent, resulting in net losses over the period of just over \$20 billion. We are currently projecting a net loss of up to \$10 billion by the end of this fiscal year and a \$20 billion shortfall by 2015. In the face of such difficulties, the Postal Service must evaluate its processing and distribution network to determine if savings and efficiencies exist.

On a national basis, it has been quite evident for a long period of time that excess capacity exists in our mail processing network, largely as a result of declining First-Class Mail volumes due to electronic diversion, changes made by businesses in the way they present mail to us, and continuing technological advancements in mail processing equipment. The current financial landscape and its detrimental consequences to the Postal Service have significantly exacerbated this excess in our network capacity and the necessity to address it.

The intent of the AMP study at the Bluefield CSMPC, initiated in February 2011, was to ascertain whether efficiencies and savings could be achieved by consolidating mail processing operations of the facility into the Charleston Processing & Distribution Center (P&DC) and the Johnson City, Tennessee, Processing & Distribution Facility (P&DF), while maintaining our strong level of service. However, and as you are aware, on September 15 the Postal Service proposed comprehensive changes to our nationwide infrastructure and announced that we would be conducting AMP studies of more than 200 processing facilities. As part of this initiative, the Postal Service has commenced a new AMP study to evaluate the feasibility of consolidating the mail processing operations of the Bluefield CSMPC with those of the Charleston P&DC.

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Please know that no decision has been reached in this new Bluefield study, which began September 15. While study times vary depending on the complexity of each location, it is expected to take about three months to analyze financial information, collect public feedback, review the information and render a decision. You can be assured that postal officials are devoting careful attention and effort to this study, and we will notify your office of the date of a public meeting, if one is to be held.

Thank you for writing. If I can be of assistance in other postal matters, please let me know.

Sincerely,

James K. Cari  
Government Relations Representative



October 3, 2011

The Honorable Charles E. Grassley  
United States Senate  
Washington, DC 20510-1501

Dear Senator Grassley:

This responds to your July 27 letter on behalf of Mrs. James Cole of Schaller, regarding the Area Mail Processing (AMP) feasibility study at the Sioux City Processing and Distribution Facility (P&DF).

Thank you for sharing Mrs. Cole's concerns. As you are aware, the U.S. Postal Service is a self-supporting agency that funds its operations from the revenue generated by the sales of our products and services—not taxpayer subsidies received through the Congressional appropriations process. To our great concern, the Postal Service is experiencing significant financial challenges related to declining mail volumes and revenue. In the four year period through fiscal year 2010, mail volume declined 20 percent, resulting in net losses over the period of just over \$20 billion. We are currently projecting a net loss of up to \$10 billion by the end of this fiscal year and a \$20 billion shortfall by 2015. In the face of such difficulties, the Postal Service must evaluate its processing and distribution network to determine if savings and efficiencies exist.

On a national basis, it has been quite evident for a long period of time that excess capacity exists in our mail processing network, largely as a result of declining First-Class Mail volumes due to electronic diversion, changes made by businesses in the way they present mail to us, and continuing technological advancements in mail processing equipment. The current financial landscape and its detrimental consequences to the Postal Service have significantly exacerbated this excess in our network capacity and the necessity to address it.

The intent of the AMP study at the Sioux City P&DF was to ascertain whether efficiencies and savings could be achieved by consolidating mail processing operations of the facility into the Sioux Falls, South Dakota, Processing and Distribution Center (P&DC), while maintaining our strong level of service. After thorough review, the Postal Service announced on June 17 that the consolidation is in the best interest of the Postal Service, and we expect it to be completed by October. This consolidation provides significant savings and allows us to accomplish our goal of making better use of our resources, excess space, staffing and equipment, and to process mail more efficiently. The community's input was valued and carefully considered before making this decision.

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Specifically, the study has indicated that the consolidation would yield approximately \$2.6 million in annual savings. A net decrease of 28 positions is projected, and all reassignments of career employees will be made in accordance with the collective bargaining agreements with the postal unions. The Sioux City P&DF does not contain a retail unit. The Sioux City Main Post Office is located approximately two miles from the Sioux City P&DF, and services that are currently available at that office will continue to be available to customers.

Thank you for writing. If I can be of assistance in other postal matters, please let me know.

Sincerely,

Sheila T. Meyers  
Manager, Government Liaison



October 4, 2011

The Honorable Patrick J. Leahy  
United States Senate  
Washington, DC 20510-4502

Dear Senator Leahy:

This is in response to your September 16 letter to Postmaster General Patrick R. Donahoe, cosigned by Senator Bernie Sanders and Congressman Peter Welch, regarding the Burlington Processing and Distribution Facility (P&DF) and the White River Junction Processing and Distribution Center (P&DC) Area Mail Processing (AMP) studies.

Thank you for sharing your concerns. As you are aware, the U.S. Postal Service is a self-supporting agency that funds its operations from the revenue generated by the sales of our products and services—not taxpayer subsidies received through the Congressional appropriations process. To our great concern, the Postal Service is experiencing significant financial challenges related to declining mail volumes and revenue. We are currently projecting a net loss of up to \$10 billion by the end of this fiscal year and a \$20 billion shortfall by 2015.

Single-piece First-Class Mail volume is down 30 percent over the past four years, and down 50 percent over the past ten years. This, our bread-and-butter product, will only continue to decline in volume and its substantial revenue contribution. At the same time, deployment of state-of-the-art automated mail processing equipment has enabled more efficient processing than ever before. An increase in the amount of mail that mailers sort and enter closer to or at the final delivery point also contributes to a decreasing dependency on our massive mail processing network. We certainly do not take lightly our proposal to reduce First-Class and Periodicals Mail service standards. However, we cannot ignore that our mail mix is rapidly changing; and that the existing mail processing operations were built to support this overnight commitment.

We understand your concern about jobs. For craft employees represented by unions, we will continue to follow existing procedures as detailed in our negotiated contracts. Also, some union contracts contain provisions for employees to transfer to non-processing craft positions where vacancies exist. For employees not represented by unions, we follow reduction-in-force procedures. As information, there are approximately 151,000 mail processing employees nationwide. Of those, 81,000 are currently eligible to retire—roughly 54 percent.

The intent of the AMP studies at the Burlington P&DF and White River Junction P&DC is to ascertain whether efficiencies and savings can be achieved by consolidating mail processing operations of one of those facilities with another plant. Please know that no decision has been reached in the studies, as the time frame is approximately 3 to 4 months from the announcement of the studies' initiation. If the feasibility studies support the business case for consolidation, the Postal Service will hold a public meeting. The public's comments received at this meeting or during the public comment period will be considered in any final determination. You can be assured that postal officials are devoting careful attention and effort to these studies, and will notify your office of the date of a public meeting if one is to be held.

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We are grateful that you support a resolution to the current retiree health benefits prefunding obligation and restoring the excess funds that the Postal Service overpaid into the Civil Service Retirement System. Postal reform is urgently needed this year that also includes a return of the \$6.9 billion overfunding of the Federal Employees Retirement System, the ability to determine delivery frequency, flexibility to restructure our healthcare and pension systems, and streamlining of pricing and product development. You may be interested to know that the Postal Service is pursuing additional new products services within the limits of the law.

On September 21, we published an Advanced Notice in the Federal Register of our proposed comprehensive changes to our service standards for overnight First-Class Mail and Periodicals Mail. The purpose of this notice is to solicit public feedback at a more conceptual level, before the Postal Service seeks specific changes to its regulations pertaining to mailing service classes. Your letter is being forwarded for consideration as a part of the Advanced Notice. As information, we are not proposing changes to service standards for our expedited products—Priority and Express Mail.

If I can be of assistance in other postal matters, please let me know.

Sincerely,

Kimberly A. Weaver  
Manager, Government Liaison



October 14, 2011

The Honorable Peter Shumlin  
Governor of Vermont  
Montpelier, VT 05609-0101

Dear Governor Shumlin:

This responds to your September 20 letter to Postmaster General Patrick R. Donahoe, regarding our September 15 announcement of proposed comprehensive changes, which include cutting our network of processing facilities by over half and adjusting service standards.

Thank you for sharing your concerns. As you may know, the Postal Service is a self-supporting agency that funds its operations from the revenue generated by the sales of products and services—not taxpayer subsidies received through the Congressional appropriations process. First-Class Mail supports the organization and drives our network requirements. Mail volume has declined by more than 43 billion pieces in the past 5 years and is continuing to decline. First-Class Mail volume has dropped 25 percent, and single-piece First-Class Mail—letters bearing postage stamps—has declined 36 percent in the same timeframe, and nearly 50 percent in the past ten years, creating substantial excess capacity within the postal processing network.

With this dramatic decline in mail volume and the resulting surplus capacity, maintaining a vast national infrastructure is no longer realistic. Since 2006, we have closed 186 facilities, removed more than 1,500 pieces of mail processing equipment, decreased employee complement by more than 110,000 through attrition and reduced costs by \$12 billion.

The mail processing network itself was constructed to process and deliver First-Class Mail within a 1–3 day window. With the proposed change, the new service standard would become 2–3 days, meaning that on average, customers would no longer receive mail the day after it was mailed. If implemented, the change in service standards would allow for significant infrastructure changes to be made across the nation.

Within this context, we are conducting studies of nearly 250 mail processing facilities, including the White River Junction Processing and Distribution Center and the Burlington Processing and Distribution Facility. The intent of an Area Mail Processing feasibility study is to ascertain whether efficiencies and savings can be achieved through consolidations and closures while maintaining a strong level of service within new service standards.

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If a feasibility study supports the business case for consolidation, the Postal Service will hold a public meeting. The public's comments received at this meeting or during the public comment period will be considered in any final determination. You can be assured that postal officials are devoting careful attention and effort to these studies. I have taken the liberty of sharing your letter with officials in our Northern New England District.

Thank you for writing.

Sincerely

Pat Irons  
Manager, Public Policy Planning and Analysis



October 26, 2011

The Honorable Susan M. Collins  
United States Senate  
Washington, DC 20510-1904

Dear Senator Collins:

This responds to your October 7 letter regarding the impact, on your constituents in Maine, of our recent proposal to cut our network of processing facilities by over a half and adjust service standards.

Thank you for sharing your concerns. As you know, First-Class Mail supports the organization and drives our network requirements. In the past five years, First-Class Mail volume has dropped 25 percent; single-piece, First-Class Mail—letters bearing postage stamps—has declined 36 percent in the same timeframe, and nearly 50 percent in the past ten years, creating substantial excess capacity within the postal processing network. With this dramatic decline in mail volume and the resulting surplus capacity, maintaining a vast national infrastructure is no longer possible.

The mail processing network itself was constructed to process and deliver First-Class Mail within a one to three day window. With the proposed change, the new service standard would become two to three days, meaning that on average, customers would no longer receive mail the day after it was mailed. If implemented, the change in service standards would allow for significant infrastructure changes to be made across the nation.

Within this context, we are conducting studies of nearly 250 mail processing facilities, including the Eastern Maine Processing and Distribution Facility (P&DF). The intent of the Area Mail Processing (AMP) study at the Eastern Maine P&DF is to ascertain whether efficiencies and savings can be achieved by consolidating mail processing operations of the facility into the Southern Maine Processing and Distribution Center (P&DC), while maintaining our strong level of service within new service standards.

You raised a specific concern about the recent relocation of mail processing equipment from the Eastern Maine P&DF to the Southern Maine P&DC while the AMP study is ongoing. Please know that as part of our continual initiatives to reduce less efficient, end-of-life equipment, the Postal Service disposed of four mail processing machines from the Eastern Maine P&DF on June 21. This was done prior to the September 15 announcement of the AMP study of the Eastern Maine P&DF. Based on volume declines, it was determined that the volume handled on the four machines could be completely processed on two newer and more efficient mail processing machines located in Eastern Maine.

You also expressed concern about the ability of a single processing facility in Maine to adequately serve the entire state. You may be assured that the Postal Service has analyzed the potential consolidation of the Eastern Maine P&DF into the Southern Maine P&DC with a change to First-Class Mail service standards allowing for significant consolidation of facility and equipment assets. Currently significant portions of Eastern Maine's mail volume are already processed in Southern Maine prior to delivery point sequencing in Eastern Maine.

With our current initiative, the U.S. Postal Service is proposing to realign its mail processing functions to fully utilize the available capacity of plants and equipment throughout an entire operating day. Although the majority of letter mail is Standard Mail, which does not have an overnight service standard, all letter mail must be processed together in order to sort the mail into delivery order. As mail volumes have fallen and the mail mix has changed, service standards in the mail processing network have not changed. All letter mail volume, even with declining volumes, is required to be sequenced through a very short window to ensure that the First-Class Mail overnight service standard is met, leading to significant capacity requirements across the network. As it stands, the Postal Service cannot afford to maintain the current infrastructure.

Regarding the impact of our proposed service standard changes on publications, please know that as part of this process, the Postal Service is actively engaged with various mailing interests, including daily and weekly newspapers. Any proposed service standard changes will be published as part of a notice-and-comment rulemaking in the *Federal Register*.

You also requested our consideration of a reduction to the size of a processing plant rather than closing it in order to maintain delivery standards and customer service, particularly in a large geographical area like Maine. Unfortunately, the Postal Service does not have adequate capital to construct and/or lease new facilities across the country to perfectly match capacity to space. The proposed changes not only look at excess facility capacity, but also excess equipment capacity, which is the amount of time machines are not in use. This is done in order to develop more efficient processes, as well as significantly reduce costs.

Please be assured that Northern New England District postal officials are devoting careful attention and effort to this study, and I have shared your letter with them.

Thank you for your continued interest in the Postal Service. If I can be of assistance in the future, please do not hesitate to let me know.

Sincerely,

Patrick R. Donahoe



November 2, 2011

The Honorable Joe Manchin III  
United States Senate  
Washington, DC 20510-4804

Dear Senator Manchin:

This is in response to your October 11 letter, which was co-signed by your colleagues in the West Virginia Congressional delegation, concerning Area Mail Processing (AMP) studies in the state.

Thank you for sharing your comments concerning the mail processing infrastructure of the U.S. Postal Service in West Virginia. As you are aware, the Postal Service is facing a significant net loss—driven by a reduction in mail volume and the changing use of the mail by the American public. From fiscal year 2001 through fiscal year 2010 single-piece, First-Class Mail (FCM) volume has fallen by approximately 42 percent. At the same time deployment of automated mail processing equipment allowed the Postal Service to sort mail more efficiently than ever. In many cases larger mailers are entering mail closer to its final delivery point—bypassing many of our processing and transportation operations. Considered together, these factors have created excess processing capacity at many postal facilities where mail is sorted.

In response we have reduced the number of processing facilities by roughly 200 over the past six years, which has included the consolidation of mail processing operations in Huntington and Beckley, as well as Ashland and Pikeville in Kentucky, into the Charleston Processing and Distribution Center (P&DC). However, despite the sizeable reduction in facilities that already has occurred nationally, circumstances dictate that we pursue further actions regarding our processing network. Consequently, on September 15 we announced our proposed network optimization concept, a major component of which is the revision of FCM service standards (the time it takes for mail to be delivered). Under the proposal FCM standards would be modified from 1 to 3 days to 2 to 3 days. This change allows for full facility consolidation opportunities by changing the operating windows during which our automation can process mail.

In preparation for this potential change, the Postal Service is examining the facilities in our mail processing network to determine whether functions at these facilities could be effectively consolidated if we modify our current FCM service standards and implement other related changes. We currently are conducting AMP studies of about half of our approximately 500 mail processing facilities, including ones in Bluefield, Clarksburg, Petersburg, and Parkersburg. In addition, we recently announced the consolidation of the mail processing operations of the Martinsburg and Wheeling Customer Service Mail Processing Centers into Baltimore and Pittsburgh, respectively.

As your letter indicates, all of the mail processing facilities in West Virginia, with the exception of the Charleston P&DC, which has gained work from other facilities, have been or currently are the subject of an AMP study. Please know that the opportunities for consolidation that we consider and then pursue, if feasible, are operationally driven and are irrespective of state borders. We have initiated AMP studies in multiple facilities in West Virginia because opportunities existed there (largely because of the proximity of these facilities to others performing the same functions) to examine potential savings and efficiencies through consolidation.

Given the number of AMP studies that we are conducting presently, along with the continued excess capacity existing in our network and the impact of the possible service standard change, we do not foresee the placement of any new mail processing operations in West Virginia. We do, however, expect to rely heavily on our Charleston P&DC for years to come. Whatever the outcome may be of the AMP studies in West Virginia, you can be assured that we are keenly aware of your concern for our employees whose positions may be impacted by a consolidation. Our AMP process includes distinct guidelines for communicating substantive information during the course of a study to our employees, the employee unions, and the public. When a study results in a decision to consolidate, all reassignments of craft employees represented by unions are made in accordance with the respective collective bargaining agreements. Moreover, we are committed to achieving a successful implementation of any consolidation, and we carry out two post-implementation reviews to assess whether planned savings, workhours, and levels of service are met.

You can be assured that the Postal Service is devoting careful consideration to the AMP studies under way in West Virginia and elsewhere. If I can be of assistance in other postal matters, please let me know.

Sincerely,

Patrick R. Donahoe



November 17, 2011

The Honorable Mary Landrieu  
United States Senate  
Washington, DC 20510-1804

Dear Senator Landrieu:

Thank you for your letter of September 30 to Postmaster General Patrick R. Donahoe, signed by four colleagues, requesting information regarding our September 15 announcement of proposed comprehensive changes, which include reducing our network of processing facilities by over half and adjusting service standards.

We appreciate your sharing your concerns. Over the past five years, mail volume has declined by more than 43 billion pieces, and mail volume is still continuing to decline. The accelerated pace at which we continue to experience mail volume losses has placed our business in serious financial jeopardy. Our estimated fiscal year (FY) 2011 net loss would have been approximately \$10 billion, were it not for the Continuing Appropriations Act, which temporarily deferred our \$5.5 billion retiree health benefits pre-funding payment from FY2011 to FY2012. And yet, we remain perilously close to insolvency as our cash position remains insufficient for normal operations. Consequently, the Postal Service is faced with a massive nationwide infrastructure that is no longer financially sustainable.

Since 2006, we have closed 186 facilities, removed more than 1,500 pieces of mail processing equipment, decreased employee complement by more than 110,000 through attrition and reduced costs by \$12 billion. The mail processing network itself was constructed to process and deliver First-Class Mail within a 1–3 day window. With the proposed change, a significant portion of mail will shift from an overnight to a 2-day service standard, and some 2-day mail will become 3-day mail. If implemented, the change in service standards would allow for significant infrastructure changes to be made across the nation.

Within this context, we are conducting studies of nearly 250 mail processing facilities, including the New Orleans Processing and Distribution Center (P&DC) and the Lafayette Processing and Distribution Center. The intent of an Area Mail Processing (AMP) feasibility study is to ascertain whether efficiencies and savings can be achieved through consolidations and closures while maintaining a strong level of service.

As further background, since the Postal Service began operations in 1971, it has achieved enormous productivity gains through continuous investment in state-of-the art mail processing technology, and due to these advances, its mail processing network continues to be studied to enhance efficiencies. The Postal Service is able to keep pace with the needs of a changing nation by using a flexible network approach. These efforts support improvements in process consistency, equipment standardization, economies of scale, achievement of service objectives, and customer satisfaction. Over the last three decades as mail processing evolved from manual and mechanized to automated processes, the AMP process evolved too. The procedures for AMP studies, outlined in our Handbook PO-408, have been studied and supported by the U.S. Postal Service Office of Inspector General and the General Accountability Office as a valid method to evaluate whether a sound business case exists to move forward with consolidation.

To respond to your questions pertaining to AMP methodology, criteria used, and other mail processing questions, we have attached a copy of the Postal Service Handbook PO-408, Area Mail Processing Guidelines, and we have highlighted several areas including section 1-4 and Exhibit 1-4, which further discuss the AMP Process (at pp.3-5). In addition, we have also highlighted section 3-4, which discusses the AMP Protocol, including District, Area and Headquarters responsibilities (at pp. 12-13).

A least-cost optimization model based upon different operating concepts was used to develop multiple scenarios of a mail processing network with fewer processing facilities. The various scenarios were then vetted through local and area experts to develop a list of facilities to undergo an official consolidation study.

The New Orleans facility processes mail for ZIP Codes 700, 701, and 703; Lafayette processes mail for ZIP Codes 705-706; and Baton Rouge processes mail for ZIP Codes 707-708. The New Orleans P&DC currently processes approximately 2.4 million pieces of mail per day; the Lafayette P&DC processes approximately 1.2 million pieces of mail per day; and the Baton Rouge P&DC processes approximately 1.8 million pieces of mail per day. These AMP studies will review all operations at the New Orleans and Lafayette P&DCs. The outgoing operations today run between the hours of 4 p.m. and midnight. A significant change under consideration is the Delivery Point Sequencing (DPS) window. Delivery Point Sequencing is an automated sortation performed by a processing facility to sort letter mail into the order of delivery points on a mail carrier's route. Today, DPS is performed primarily between the hours of midnight and 6:00 a.m. The Postal Service is examining a change of this processing window which would allow more efficient use of processing equipment and resources. As to your questions about specific data concerning the New Orleans and Lafayette facilities, the AMP studies are still underway, and this information will be available when the studies are complete.

I also understand your concerns about the effect that the discontinuance or consolidation of facilities would have on our employees. Should a closure or consolidation occur, we will follow all collective bargaining agreements, applicable laws, and postal policies, and will be working to minimize the impact to our employees.

Customer input is a valuable part of the study process. Communication to stakeholders must occur when there is a clear intent to proceed with an AMP feasibility study. The notification of intent to perform the study includes an invitation to the public to submit written comments or concerns to a Postal Service representative. To enhance transparency, the AMP process requires local officials to conduct a public input meeting prior to submitting a proposal to headquarters for final review. The purpose of the community meeting is to explain the rationale and basis for a proposed operational consolidation, to describe potential customer and service impacts, and to solicit further public input. In addition, the public can submit additional written comments up to fifteen days after that meeting. The Postal Service values the feedback we receive from local customers regarding their retail service needs and believes that community input is an informative and integral part of our network discontinuance proposal process.

To further describe and explain the AMP process, we would be pleased to schedule a time to bring our network operations specialists to meet with you. Please let us know if this would be helpful, and thank you again for sharing your concerns.

Sincerely,

Cathy V. Pagano  
Government Relations Representative

Enclosure



November 23, 2011

The Honorable Steve Chabot  
House of Representatives  
Washington, DC 20515-3501

Dear Congressman Chabot:

This responds to your October 13 letter to Postmaster General Patrick R. Donahoe, cosigned by Congressman Steve Cabot and Congresswoman Jean Schmidt, regarding our September 15 announcement of proposed comprehensive changes, which include cutting our network of processing facilities by over half and adjusting service standards.

Thank you for sharing your concerns. As you are aware, the U.S. Postal Service is a self-supporting agency that funds its operations from the revenue generated by the sales of products and services—not taxpayer subsidies received through the Congressional appropriations process. First-Class Mail supports the organization and drives our network requirements. Mail volume has declined by more than 43 billion pieces in the past 5 years and is continuing to decline. First-Class Mail volume has dropped 25 percent, and single-piece First-Class Mail—letters bearing postage stamps—has declined 36 percent in the same timeframe, and nearly 50 percent in the past ten years, creating substantial excess capacity within the postal processing network.

With this dramatic decline in mail volume and the resulting surplus capacity, maintaining a vast national infrastructure is no longer realistic. Since 2006, we have closed 186 facilities, removed more than 1,500 pieces of mail processing equipment, decreased employee complement by more than 110,000 through attrition and reduced costs by \$12 billion. The mail processing network itself was constructed to process and deliver First-Class Mail within a 1 to 3 day window. With the proposed change, the new service standard would become 2 to 3 days, meaning that on average, customers would no longer receive mail the day after it was mailed. If implemented, the change in service standards would allow for significant infrastructure changes to be made across the nation.

Within this context, we are conducting studies of nearly 250 mail processing facilities. The intent of the Area Mail Processing (AMP) feasibility studies is to ascertain whether efficiencies and savings can be achieved through consolidations and closures while maintaining a strong level of service within new service standards. Potential impacts on the workforce will be thoroughly reviewed as part of these studies.

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If a feasibility study supports the business case for consolidation, the Postal Service will hold a public meeting. At that time, postal officials will present information about the AMP study and the findings thus far. The public's comments conveyed at this meeting and those sent in writing to the Consumer and Industry Contact Manager during the public comment period will be considered thoroughly in any final determination. Input from the public meeting is summarized and submitted to the Area Vice President for consideration. Additional review by the Postal Service's Consumer Advocate ensures that attention and resolution is given to the public input at the District and Area levels prior to final consideration by the Vice President of Network Operations. You can be assured that postal officials are devoting careful attention and effort to these studies.

If I can be of assistance in the future, please do not hesitate to let me know.

Sincerely,

Talaya S. Simpson  
Government Relations Representative



December 2, 2011

The Honorable Susan M. Collins  
United States Senator  
160 Main Street  
Biddeford, ME 04005-2506

Dear Senator Collins:

This is in response to your October 24 correspondence on behalf of one of your constituents in North Berwick, regarding the Area Mail Processing (AMP) feasibility study at the Portsmouth, New Hampshire Processing and Distribution Facility (P&DF).

Thank you for sharing you constituent's concerns. As you are aware, the U.S. Postal Service is a self-supporting agency that funds its operations from the revenue generated by the sales of our products and services—not taxpayer subsidies received through the Congressional appropriations process. First-Class Mail supports the organization and drives our network requirements. Mail volume has declined by more than 43 billion pieces in the past 5 years and is continuing to decline. First-Class Mail volume has dropped 25 percent, and single-piece First-Class Mail—letters bearing postage stamps—has declined 36 percent in the same timeframe, and nearly 50 percent in the past ten years. In the face of such difficulties, the Postal Service must evaluate its processing and distribution network to determine if savings and efficiencies exist.

On a national basis, it has been quite evident for a long period of time that excess capacity exists in our mail processing network, largely as a result of declining First-Class Mail volumes due to electronic diversion, changes made by businesses in the way they present mail to us, and continuing technological advancements in mail processing equipment. The current financial landscape and its detrimental consequences to the Postal Service have significantly exacerbated this excess in our network capacity and the necessity to address it.

The intent of the AMP study at the Portsmouth P&DF was to ascertain whether efficiencies and savings could be achieved by consolidating some mail processing operations of the facility into the Manchester, New Hampshire and Southern Maine Processing and Distribution Centers (P&DC), while maintaining our strong level of service. On August 16, it was announced that a functional review of the proposal had been approved, with implementation expected to be completed by January 2012. The proposal will yield approximately \$6.6 million in annual savings with a net decrease of approximately 76 positions being projected.

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Please be assured that postal and federal policy and regulations, as well as collective bargaining agreements, are strictly adhered to during the process of reassigning career employees. Nonetheless, employees have access to a number of appeal forums through which they can address any difficulties they may encounter in their employment, from discrimination to issues involving the interpretation of rules, the perception of offensive behavior, or adverse management actions. Our forums include the grievance-arbitration procedures as established by the national agreements with the postal unions, the Employee Assistance Program, the Equal Employment Opportunity complaint process, and appeal to the Merit Systems Protection Board. A number of these forums offer a level of appeal to an arbitrator or administrative judge who is independent of the Postal Service. This gives employees and their representatives the opportunity to present any evidence in support of their position and receive an impartial hearing.

Thank you for writing. If I can be of assistance in other postal matters, please let me know.

Sincerely,

Kimberly A. Weaver  
Manager, Government Liaison



December 13, 2011

The Honorable Eddie Bernice Johnson  
House of Representatives  
Washington, DC 20515-4330

Dear Congresswoman Johnson:

This responds to your November 10 and 29 letters, regarding the Area Mail Processing (AMP) feasibility study at the Dallas Processing and Distribution Center (P&DC).

Thank you for sharing your concerns. As you are aware, the U.S. Postal Service is a self-supporting agency that funds its operations from the revenue generated by the sales of products and services—not taxpayer subsidies received through the Congressional appropriations process. First-Class Mail supports the organization and drives our network requirements. Mail volume has declined by more than 43 billion pieces in the past 5 years and is continuing to decline. First-Class Mail volume has dropped 25 percent, and single-piece First-Class Mail—letters bearing postage stamps—has declined 36 percent in the same timeframe, and nearly 50 percent in the past ten years, creating substantial excess capacity within the postal processing network.

With this dramatic decline in mail volume and the resulting surplus capacity, maintaining a vast national infrastructure is no longer realistic. Since 2006, we have closed 186 facilities, removed more than 1,500 pieces of mail processing equipment, decreased employee complement by more than 110,000 through attrition and reduced costs by \$12 billion.

The mail processing network itself was constructed to process and deliver First-Class Mail within a 1 to 3 day window. With the proposed change, the new service standard would become 2 to 3 days, meaning that on average, customers would no longer receive mail the day after it was mailed. If implemented, the change in service standards would allow for significant infrastructure changes to be made across the nation.

Within this context, we are conducting studies of nearly 250 mail processing facilities, including the Dallas P&DC. The intent of these Area Mail Processing feasibility studies is to ascertain whether efficiencies and savings can be achieved through consolidations and closures while maintaining a strong level of service within new service standards.

Dallas District postal officials confirm that the initial results of the feasibility study support the business case for consolidation. As you are aware, a public meeting was held on December 7 to share those results and allow members of the community to ask questions and provide feedback. Please note that our AMP Communications Plan requires postal officials to notify all key stakeholders at least 15 days before the Public Input Meeting. Dallas District postal officials notified stakeholders on November 22 of this December 7 meeting. The comments received at this meeting and during the public comment period will be considered in any final determination. You can be assured that postal officials are devoting careful attention and effort to these studies.

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With regard to your concerns about retail facilities throughout your Congressional District, please know that when an office is being studied for possible discontinuance, postal managers will consider the effect on the community and postal employees. They also consider the ability to provide a maximum degree of effective and regular postal services to the affected community and potential economic savings. Customers of an office considered for closing are provided opportunities, through questionnaires and public meetings, to share their concerns and views both on the proposed action and on mail service alternatives.

If I can be of assistance in the future, please do not hesitate to let me know.

Sincerely,

Catherine V. Pagano  
Government Relations Representative



December 13, 2011

The Honorable Bob Goodlatte  
House of Representatives  
Washington, DC 20515-4606

Dear Congressman Goodlatte:

This responds to your November 21 letter to Postmaster General Patrick R. Donahoe, regarding the Area Mail Processing (AMP) feasibility study at the Roanoke Processing and Distribution Center (P&DC).

Thank you for sharing your concerns. The U.S. Postal Service is a self-supporting agency that funds its operations from the revenue generated by the sales of products and services—not taxpayer subsidies received through the Congressional appropriations process. First-Class Mail supports the organization and drives our network requirements. Mail volume has declined by more than 43 billion pieces in the past 5 years and is continuing to decline. First-Class Mail volume has dropped 25 percent, and single-piece First-Class Mail—letters bearing postage stamps—has declined 36 percent in the same timeframe, and nearly 50 percent in the past ten years, creating substantial excess capacity within the postal processing network.

With this dramatic decline in mail volume and the resulting surplus capacity, maintaining a vast national infrastructure is no longer realistic. Since 2006, we have closed 186 facilities, removed more than 1,500 pieces of mail processing equipment, decreased employee complement by more than 110,000 through attrition and reduced costs by \$12 billion.

The mail processing network itself was constructed to process and deliver First-Class Mail within a 1 to 3 day window. With the proposed change, the new service standard would become 2 to 3 days, meaning that on average, customers would no longer receive mail the day after it was mailed. If implemented, the change in service standards would allow for significant infrastructure changes to be made across the nation.

Within this context, we are conducting studies of nearly 250 mail processing facilities, including the Roanoke P&DC. The intent of an Area Mail Processing feasibility study is to ascertain whether efficiencies and savings can be achieved through consolidations and closures while maintaining a strong level of service within new service standards.

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Appalachian District postal officials confirm that the initial results of the feasibility study support the business case for consolidation. A public meeting was held on November 14, to share those results and allow members of the community to ask questions and provide feedback. The comments received at that meeting and during the public comment period will be considered in any final determination. You can be assured that postal officials are devoting careful attention and effort to these studies.

If I can be of assistance in the future, please do not hesitate to let me know.

Sincerely,

Jason Lamote  
Government Relations Representative



December 13, 2011

The Honorable Bobby Schilling  
House of Representatives  
Washington, DC 20515-1317

Dear Congressman Schilling:

This responds to your October 10 letter to Postmaster General Patrick R. Donahoe, cosigned by Congressman Bobby Schilling and Senators Mark Kirk and Richard Durbin, regarding the Quincy Processing and Distribution Facility (P&DF).

Thank you for sharing your concerns. As you may know, the U.S. Postal Service announced on September 15 proposed comprehensive changes, which include cutting our network of processing facilities by over half and adjusting service standards. Notably, First-Class Mail supports the organization and drives our network requirements. Mail volume has declined by more than 43 billion pieces in the past 5 years and is continuing to decline. First-Class Mail volume has dropped 25 percent, and single-piece First-Class Mail—letters bearing postage stamps—has declined 36 percent in the same timeframe, and nearly 50 percent in the past 10 years, creating substantial excess capacity within the postal processing network.

With this dramatic decline in mail volume and the resulting surplus capacity, maintaining a vast national infrastructure is no longer realistic. Since 2006, we have closed 186 facilities, removed more than 1,500 pieces of mail processing equipment, decreased employee complement by more than 110,000 through attrition and reduced costs by \$12 billion.

The mail processing network itself was constructed to process and deliver First-Class Mail within a 1 to 3 day window. With the proposed change, the new service standard would become 2 to 3 days, meaning that on average, customers would no longer receive mail the day after it was mailed. If implemented, the change in service standards would allow for significant infrastructure changes to be made across the nation.

Within this context, we are conducting studies of nearly 250 mail processing facilities, including the Quincy P&DF. The intent of these Area Mail Processing (AMP) feasibility studies is to ascertain whether efficiencies and savings can be achieved through consolidations and closures while maintaining a strong level of service within new service standards.

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The Postal Service held a public meeting on November 22 to share the initial results of the AMP study at the Quincy P&DF and allow members of the community to ask questions and provide feedback. The public's comments received at this meeting or during the public comment period will be considered in any final determination. You can be assured that postal officials are devoting careful attention and effort to these studies, and potential impacts on the workforce will be thoroughly reviewed as part of the process.

If I can be of assistance in the future, please do not hesitate to let me know.

Sincerely,

Talaya S. Simpson  
Government Relations Representative