

JOHN E. POTTER
POSTMASTER GENERAL, CEO



July 20, 2010

The Honorable Barbara A. Mikulski
United States Senate
Washington, DC 20510-2003

Dear Senator Mikulski:

This is in response to your July 15 letter, cosigned by Senator Benjamin L. Cardin and Congressman Frank M. Kratovil, Jr., referencing the Area Mail Processing (AMP) study at the Easton Processing and Distribution Facility (P&DF).

I understand your continued interest in this matter, and I was sorry to read that you are dissatisfied with the information provided about the study thus far. Please know that in each location where a study is initiated, we follow our established AMP study process, which has been reviewed by the Government Accountability Office and the U.S. Postal Service Office of Inspector General. The public input process and our communication of pertinent information to employees and union representatives, Congressional and municipal officials, local businesses, and the general public in the area are important components of this process.

In each case, we provide information about the study's initial results, including estimated savings, the number of career employee positions that may be reduced, and the impact, if any, to customer service that may occur if the consolidation is approved. We issue such information in conjunction with the public meeting announcement and during the public meeting, and we do so prior to reaching a final decision on the study. The information also is posted on our Web site at www.usps.com/all/amp.htm. We also note that the study is subject to change. We cannot release proprietary business information collected as part of the study or the study itself prior to the issuance and announcement of a final decision.

In answer to your specific individual questions:

What is the amount and nature of the cost savings of relocating the mail processing and distribution operation from Easton to Baltimore?

The current anticipated annual savings are \$3.4 million. The savings are a product of reduced staffing levels at Easton and the elimination of overhead costs such as equipment, maintenance, electricity, etc.

How would current employees at Easton be impacted, including how many would be affected and where would they be relocated?

If the consolidation is implemented, the 124 employees currently working in the Easton P&DF would be assigned to other positions in accordance with collective bargaining agreements. A small percentage of employees would remain working in the facility, and others reassigned to vacant positions in other facilities. At this juncture in the process—and in the absence of a final decision—it is impossible to determine exactly which positions and locations will be available. As noted in our preliminary AMP proposal, if implemented, the Postal Service will experience a reduction of roughly 54 positions.

How much mail is currently processed from Eastern Shore to Eastern Shore and how would delivery time for that mail be affected?

According to fiscal year (FY) 2009 figures, 18 percent of the First-Class Mail average daily volume handled at the Easton P&DF originated on the Eastern Shore and was destined to the Eastern Shore. There is no service degradation anticipated for this mail as a result of the proposed change.

Since transport of mail between the Eastern Shore and Baltimore requires travel over the Bay Bridge, what contingency plans would be put in place to ensure timely delivery in the event of traffic and weather disruptions on the bridge?

In FY2009, 62 percent of the First-Class Mail handled by the Easton P&DF originated off the Eastern Shore. Therefore, we already have a contingency plan in place, which is a truck route through Elkton which adds roughly one hour to the trip.

I appreciate your sincere interest and concern in these matters. As you know, the Postal Service is facing losses of roughly \$7 billion this year, and I have a responsibility to examine our mail processing infrastructure in search of savings and efficiencies if they can be achieved. However, as we discussed this morning, I have decided to postpone any decision on this proposal pending further review by our new management team. I expect their work to be completed early in calendar year 2011. We will meet with the Congressional delegation at that point to share the results of the study and, if necessary, lay out further actions as we discussed.

If I can be of assistance with other postal issues, please let me know.

Sincerely,


John E. Potter