September 15, 2011

BACKGROUNDER

Re: Postal Service Consolidation of Mail Processing and Distribution Facilities and Elimination of Next-Day Delivery of First Class Mail in Local Areas

Today the Postal Service will announce its plan to study and likely undertake the consolidation of hundreds of mail processing and distribution facilities across the country. Realignment of the USPS mail and transportation network, according to the Postal Service, will match the capacity of the network with First Class mail volume, which is declining.

Under the plan, the Postal Service will seek to close almost 60% of the over 500 processing and distribution facilities that sort and prepare the mail for delivery today. Many of these facilities are in Congressional districts across the country and are a source of approximately 100,000 jobs. The closures will immediately result in a loss of over 30,000 postal jobs and move the Postal Service toward a goal of eliminating 150,000 jobs by 2015.

NAPS believes that the Postal Service’s network realignment plan and the elimination of next-day First Class delivery will be devastating to the public’s use of mail, its expectations regarding its speed, and public support for its postal system. It will create a death spiral that will contribute to the demise of the Postal Service.

Realignment of the mail processing and transportation network, according to the Postal Service, will require the relaxation of the current Postal Service delivery standard, which requires overnight delivery of First Class mail to and from locations within 60-80 miles of a processing facility. Currently, nearly every piece of local First Class mail is delivered overnight, consistent with current Postal Service standards. Relaxation of the standard will require the approval of the Postal Regulatory Commission.

The elimination of overnight delivery of First Class local mail will affect approximately 50% of all First Class mail. By closing such large numbers of mail processing facilities, the Postal Service will create greater distances that mail must be transported for sorting prior to delivery. Mail will continue to be processed by high-state technology and personnel in a matter of minutes, but then stored for hours before moving on to delivery. This will slow the pace of a huge portion of the nation’s communication and commerce considerably. By eliminating Saturday delivery and then relaxing the First Class local delivery standard, the Postal Service will have doubled, and over weekends quadrupled, the time required to send a local letter.
This relaxation of First Class delivery standards, ironically, will erode service quality to a level that existed more than a half-century ago. This in turn will erode public use and satisfaction with its mail system. Commerce and the nation’s economy will suffer. Ultimately, the attractions of the internet as an alternative for personal and business communication will only accelerate. In a high-tech age of speed where faster is better, the elimination of overnight delivery will set the Postal Service on a death march.

The nation and its postal system does not need to head down this disastrous course. NAPS believes that the best way to alleviate the immediate financial situation, we believe, lies first through passage of H.R. 1351, which would realign the Postal Service’s pension and retiree health obligations without using taxpayer money.

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