

## **Coburn Amendment #2059—To Allow the USPS to Make Decisions about Post Office and Facility Closures**

### **The Postal Service Has Far More Facilities Than It Needs.**

The Postal Service is on track to lose more than \$13 billion dollars this year. That means the USPS is losing more than \$35 million dollars *per day*.

The USPS is on track to lose \$21 billion annually by 2016, according to the Postmaster General, if no changes are made.

As of 2008, the Postal Service had more than 36,000 facilities.<sup>1</sup>

The next year, 2009, USPS announced that it would like to close more than 3,100 “stations and branches” – these are like mini-post offices.

Following a public outcry, the proposal was reduced to fewer than 400.<sup>2</sup>

More recently, the Postal Service has proposed closing down more than 250 of its processing centers.<sup>3</sup> That plan would save the USPS as much as \$4 billion annually.

Last week, GAO reported that the USPS has approximately 50 percent excess capacity in its processing centers.

One of the processing centers due to close is in Tulsa, Oklahoma. None of us wants to see these facilities close down and jobs affected. But we all must recognize that the USPS needs to reduce its costs. If this bill becomes law, the USPS will be prevented from closing a majority of those processing centers.

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<sup>1</sup> <http://www.fas.org/sgp/crs/misc/R40719.pdf>

<sup>2</sup> [http://www.apwu.org/issues-consolidation/station-branch\\_closures-about.htm](http://www.apwu.org/issues-consolidation/station-branch_closures-about.htm)

<sup>3</sup> <http://news.blogs.cnn.com/2011/09/15/could-your-post-office-be-in-danger-of-closing/>

## **The Postal Service Needs Flexibility to Shut Down Facilities.**

With mail volume projected to decline even more in the future, the USPS's losses will continue and even increase if the USPS isn't allowed to make structural changes to its business model and operations.

Unfortunately, S. 1789 would restrict the ability of the USPS to close facilities that are hurting its business model.

Amendment #2059 is drawn from language from Senator Carper's postal reform bill (S.1010). It would strengthen the US Postal Service's ability to achieve cost savings by closing post offices and facilities.

This amendment does this by reiterating the USPS's authority under current law to close post offices and facilities.

## **Closing USPS Facilities Does Not Require Reducing Access to Post Office Services**

Many people are reasonably concerned about whether their access to postal services will be reduced if their local post office is closed.

But the Postal Service can avoid any reduction in service by allowing postal employees to co-locate in other businesses.

For much of American history, postal services were provided by local businesses like the old general store.

The Postal Service is already succeeding in co-locating postal services in businesses around the country.<sup>4</sup> We can close postal facilities—and allow the USPS to reduce its costs—while still providing customers access to postal services.

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<sup>4</sup> <http://www.nytimes.com/2012/03/22/us/to-cut-costs-post-office-offers-services-at-groceries.html>