

- Stand-up Talk -

Station and Branch Optimization Process

As you know, the Postal Service does not receive tax dollars to pay for the cost of mail service. Less revenue from our customers means that there is less money to operate the Postal Service.

Continuing declines in mail volume from mail moving to the internet, as well as the effects of the current severe economic recession require action. These are hard times and the choices are difficult.

This year, mail volume is down a projected 20 billion pieces from last year and the revenue shortfall will likely exceed \$6 billion, even with the postage increase. Every aspect of the Postal Service is being reviewed for efficiency and cost savings. Our very survival as an organization is at stake.

As part of this intense examination of the way we do business, we are reviewing station and branches in EAS-24 and above Post Offices located in cities across the country to determine if there are opportunities for consolidation.

We are witnessing significant changes in customer behavior. About thirty percent of our retail revenue is generated by alternate access channels such as the purchase of postage and services at locations other than a retail lobby, places like the supermarket checkout and www.usps.com via personal computers. We are also seeing a continuing shift in consumer preference from hard copy to electronic.

As automated mail processing expands, less work space is required in the back of the office. And with less mail, there are fewer delivery routes. Less floor space is required and fewer parking spaces are required for employees and delivery vehicles.

A variety of other influences like changing demographics, changes to vehicle access and aging facilities also play a role.

The station and branch optimization process includes the following:

- Pre-screening of all stations and branches in each District;
- Formal In-depth studies of selected candidate offices from the prescreening that include input from customer surveys or community meetings, as well as a variety of business data;
- Evaluation of in-depth study by the District Manager;
- Request for consolidation from District Manager through the Area to national headquarters;
- Authorization to consolidate, if merited, following a final review at national headquarters;
- Consolidation will take place no earlier than 60 days after HQ approval.

What does this mean to the San Francisco District? Five stations and branches in the San Francisco District that report to Postmasters in level EAS-24 or higher were screened for possible candidates for consolidation. Nationwide, more than 3,200 stations and branches fall in this category.

The District Manager of each district initiates an in-depth study of the most likely candidates for consolidation. In the San Francisco District, the following offices are being studied for consolidation:

Bernal, San Francisco
McClaren, San Francisco
Federal Building, San Francisco
Palo Alto East, Palo Alto
Palo Alto VA, Palo Alto

It is very important to understand that no decisions have been made regarding consolidation of stations or branches, and none of these offices face imminent closure.

As the process continues, we will work to keep you informed.

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