



May 9, 2012

The Honorable Mike Crapo
United States Senate
Washington, DC 20510-1205

Dear Senator Crapo:

The United States Postal Service is committed to serving rural America and to preserving the role of the Postal Service in every American community. As such, I am writing to introduce an important new strategy of the Postal Service that is designed to preserve the majority of rural Post Offices.

Within the framework of our comprehensive five-year plan, we have continued to refine our approach with regard to rural Post Offices. We have done so as a result of listening carefully to the views of Congress, our customers, and the communities we serve.

The Postal Service intends to provide communities with an important alternative to the potential consolidation of rural Post Offices, which we believe will result in very few Post Offices being consolidated in the future. By matching daily window hours to daily foot traffic for many Post Offices, we believe the Postal Service can achieve its cost-reduction goals stated in our *Five-Year Business Plan* and continue to maintain Post Offices in nearly every community.

As background, in July 2011, the Postal Service communicated to all members of Congress its intent to conduct studies of approximately 3,700 Post Offices, stations, and branches to determine whether discontinuance and/or conversion to forms of alternative access was appropriate, given factors such as low workload, insufficient customer demand, and/or availability of alternatives. The studies were part of a nationwide effort to realign and reduce the operating costs of the existing postal retail network of 32,000 Post Offices.

Since that time, the Postal Service has conducted thousands of public meetings to solicit input from communities throughout America about these possible Post Office studies. Many customers expressed their concerns and told the Postal Service of their strong preference for maintaining the current Post Office structure. We have also heard from Members of Congress about your concerns and have formulated solutions to address these questions.

The Postal Service has sought to balance providing and preserving postal services for communities while also being responsive to the recommendations from the Office of the Inspector General (OIG), the Government Accountability Office (GAO), Congress, and our customers. As such we have developed the following strategy to better match Post Office revenues and costs, and to provide appropriate service to rural communities. Later this month, we will be asking the Postal Regulatory Commission (PRC) for an advisory opinion concerning this plan.

Preserving postal facilities by modifying existing window hours.

Under this path, access to nearly all Post Office lobbies and Post Office Boxes would continue to be available during normal business hours. Based on customer use, window hours would be modified and scheduled for each Post Office. All services currently available will continue during designated window hours.

The community will be able to provide their input in determining the schedule for these hours (for example, what time of day is optimal for hours of operation). Surveys will be sent to all homes and businesses served by the Post Office. A community meeting will then be held, and survey results will be shared at that time. This path allows the community to maintain its facility as a gathering place, preserves the ZIP Code, and maintains the community name. In addition, the Postal Service will continue to work closely with postmaster and management organizations, following all applicable guidelines to ensure that employees are fully informed and treated in a fair and equitable manner.

In the provided surveys, three additional paths will be proposed to the community, each of which might be better suited to the needs of that particular community. We intend to maintain both the community name and ZIP Code. Under these paths, existing Post Offices could be discontinued, but postal services to the community would be assured, with the community as a fully engaged partner in the effort. These include:

Merging a postal facility with a nearby full-service Post Office.

Many communities have expressed little or no objection to this path, given the close proximity of other nearby Post Offices.

Extending or expanding rural carrier delivery in communities where current service is limited to Post Office Box availability.

Under this path, rural letter carriers, who already function as "Post Offices on Wheels" would provide full-service to customers. This includes selling stamps and money orders and providing package and mailing services. This would enable some customers, especially those in rural communities, to gain home delivery where it is not currently available.

Engaging a local business or government office to establish a Village Post Office (VPO).

With this path, customers would gain the convenience of having up to 12 hours of daily service, seven days a week, during which time they can purchase stamps, mail packages, and collect Post Office Box mail. Community names and ZIP Codes would also be preserved. While some communities may wish to have a partner-operated Village Postal Office replace an existing Post Office, the Postal Service could also explore supporting communities that would prefer to have both operating concurrently. The Postal Service supports this idea as a cost-effective way of providing greater access and service.

While the three paths listed above for discontinuance of postal facilities are available, the Postal Service is making the commitment that low-activity Post Offices, especially those in rural America, will remain open with reduced hours unless:

- Every path has been carefully evaluated with community input.
- A community has expressed a strong preference for one of the other alternative paths.
- At least one of the paths above has been provided.

In September 2011, I testified before the Senate Committee on Homeland Security and Governmental Affairs about the Postal Service's plan to examine approximately 15,000 Post Offices. Since that time, we have actually looked at 17,000 locations and believe we need to reduce hours at approximately 13,000 Post Offices. A list of offices in your state or district which the Postal Service proposes to operate for less than eight hours per day is enclosed. There are some facilities which have already been studied and which are no longer in operation, and these facilities will remain closed.

This plan, which will be considered by the PRC, is simply a refinement of our efforts to capture cost savings and sustain the Postal Service, ensuring we can attain the goals set forth in our comprehensive plan to place the Postal Service on a strong financial footing. Once the program is completed, the Postal Service estimates annual savings of \$500 million. To ensure a smooth and measured transition, this plan will be implemented over a two-year period, using a multi-phased approach. The Postal Service has listened and will continue to listen to the customers served by our facilities. The next step in carrying forward this proposal is to continue informing and educating the public, customers, employees, mailers, and Members of Congress.

In addition, the Postal Service will soon file this proposal with the PRC, which has its own timeline for review.

In the coming months, the Postal Service will begin its process for reengaging communities, in order to present these options, gather the input of customers, and make reasonable and responsible decisions. As part of this engagement, the Postal Service will also encourage local businesses in rural communities to consider operating a Village Post Office—even in communities that prefer to retain their current Post Office. Using a multi-phased approach, it is expected that full implementation of these proposals would be completed in the fall of 2014.

An additional proposal, designed to continue addressing the Postal Service's workforce, was also announced today. A voluntary early retirement incentive for the nation's more than 21,000 non-executive career postmasters is being offered. Postmasters accepting the offer will receive two payments—\$10,000 on December 31, 2012, and \$10,000 on December 30, 2013, less withholdings and taxes. Part-time career postmasters will receive prorated payments on the same dates. Postmasters will have until June 22, 2012, to accept the offer and agree to leave the Postal Service by July 31, 2012.

We are committed to implementing this new plan in a responsible and fair manner, and we believe the proposals described here will ensure the preservation of postal facilities and services, especially in rural communities.

More information and details will be forthcoming, and the Postal Service will host a Webinar on these proposals on Thursday, May 10, at 3 p.m. [EST]. Your postal staffer will be receiving an invitation to this Webinar. We look forward to communicating about this plan and our progress in the coming weeks and months. Please contact your Government Relations Representative with any questions or comments.

Sincerely,



Patrick R. Donahoe

Enclosures

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POST Plan - Proposed Hours of Operation

ZIP	Office	State	* Current Hours of Operation	Proposed Hours of Operation
83520-9998	AHSAHKA PO	ID	8	4
83311-9998	ALBION PO	ID	8	4
83312-9998	ALMO PO	ID	6	6
83212-9998	ARBON PO	ID	4	2
83214-9998	ARIMO PO	ID	8	4
83802-9998	AVERY PO	ID	6	4
83217-9998	BANCROFT PO	ID	8	6
83218-9998	BASALT PO	ID	8	4
83314-9998	BLISS PO	ID	8	4
83223-9998	BLOOMINGTON PO	ID	8	4
83806-9998	BOVILL PO	ID	8	4
83604-9998	BRUNEAU PO	ID	8	4
83808-9998	CALDER PO	ID	6	4
83320-5050	CAREY PO	ID	8	4
83462-9998	CARMEN PO	ID	8	4
83321-9998	CASTLEFORD PO	ID	8	4
83810-9998	CATALDO PO	ID	8	4
83421-9998	CHESTER PO	ID	8	4
83227-9998	CLAYTON PO	ID	8	4
83228-9998	CLIFTON PO	ID	8	4
83821-9998	COOLIN PO	ID	8	4
83523-9998	CRAIGMONT PO	ID	8	6
83524-9998	CULDESAC PO	ID	8	4
83232-9998	DAYTON PO	ID	8	4
83323-9998	DECLO PO	ID	8	4
83824-9998	DESMET PO	ID	8	4
83825-9998	DOVER PO	ID	8	6
83234-9998	DOWNEY PO	ID	8	6
83826-9998	EASTPORT PO	ID	8	4
83325-9998	EDEN PO	ID	8	4
83525-9998	ELK CITY PO	ID	8	6
83827-9998	ELK RIVER PO	ID	6	4
83235-8001	ELLIS PO	ID	6	2
83327-9998	FAIRFIELD PO	ID	8	6
83526-9998	FERDINAND PO	ID	8	4
83830-9998	FERNWOOD PO	ID	8	6
83237-9998	FRANKLIN PO	ID	8	4
83832-9998	GENESEE PO	ID	8	6
83238-9998	GENEVA PO	ID	4	2
83239-9998	GEORGETOWN PO	ID	8	4
83626-9998	GREENLEAF PO	ID	8	6
83425-9998	HAMER PO	ID	8	4
83627-9998	HAMMETT PO	ID	8	4
83334-9998	HANSEN PO	ID	8	4
83834-9998	HARVARD PO	ID	6	4
83335-9998	HAZELTON PO	ID	8	6
83244-9998	HOWE PO	ID	8	4
83630-9998	HUSTON PO	ID	8	6
83632-9998	INDIAN VALLEY PO	ID	8	4
83428-9998	IRWIN PO	ID	8	4

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ZIP	Office	State	* Current Hours of Operation	Proposed Hours of Operation
83535-9741	JULIAETTA PO	ID	8	6
83537-9998	KENDRICK PO	ID	8	6
83839-9998	KINGSTON PO	ID	8	6
83841-9998	LACLEDE PO	ID	8	6
83246-9998	LAVA HOT SPRINGS PO	ID	8	6
83464-9998	LEADORE PO	ID	8	6
83465-9998	LEMHI PO	ID	8	6
83541-9998	LENORE PO	ID	8	4
83431-9998	LEWISVILLE PO	ID	8	4
83542-9998	LUCILE PO	ID	6	4
83342-9998	MALTA PO	ID	8	6
83434-9998	MENAN PO	ID	8	6
83645-2067	MIDVALE PO	ID	8	4
83435-9998	MONTEVIEW PO	ID	4	6
83255-9998	MOORE PO	ID	8	6
83256-9998	MORELAND PO	ID	8	6
83846-9998	MULLAN PO	ID	8	6
83650-9998	MURPHY PO	ID	8	4
83344-9998	MURTAUGH PO	ID	8	4
83847-9998	NAPLES PO	ID	8	6
83436-9998	NEWDALE PO	ID	8	4
83543-9998	NEZPERCE PO	ID	8	6
83848-9998	NORDMAN PO	ID	8	4
83466-9998	NORTH FORK PO	ID	8	6
83656-9998	NOTUS PO	ID	8	6
83346-9998	OAKLEY PO	ID	8	4
83657-9998	OLA PO	ID	6	4
83261-9998	PARIS PO	ID	8	6
83438-9998	PARKER PO	ID	8	4
83545-9998	PECK PO	ID	8	4
83546-9998	PIERCE PO	ID	8	6
83262-9998	PINGREE PO	ID	8	6
83547-9998	POLLOCK PO	ID	8	4
83853-9998	PORTHILL PO	ID	8	6
83857-9998	PRINCETON PO	ID	8	4
83349-9998	RICHFIELD PO	ID	8	4
83444-9998	ROBERTS PO	ID	8	6
83271-9998	ROCKLAND PO	ID	8	4
83272-9998	SAINT CHARLES PO	ID	8	4
83866-9900	SANTA PO	ID	8	4
83867-9998	SILVERTON PO	ID	8	6
83868-9998	SMELTERVILLE PO	ID	8	6
83552-9998	STITES PO	ID	8	6
83449-9998	SWAN VALLEY PO	ID	8	4
83281-9998	SWANLAKE PO	ID	4	2
83468-9998	TENDOY PO	ID	8	4
83870-9998	TENSED PO	ID	8	4
83451-9998	TETON PO	ID	8	6
83452-9998	TETONIA PO	ID	8	6
83454-9998	UCON PO	ID	8	6

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ZIP	Office	State	* Current Hours of Operation	Proposed Hours of Operation
83872-9998	VIOLA PO	ID	6	4
83553-9998	WEIPPE PO	ID	8	6
83286-9998	WESTON PO	ID	8	4
83554-9998	WHITE BIRD PO	ID	8	6
83555-9998	WINCHESTER PO	ID	8	4
83677-9998	YELLOW PINE PO	ID	6	6