Are Postal Closures Inevitable, Based on USPS History?

National League of Postmasters President Mark Strong took on a "professorial" role, opening his speech at AUSPL Conference 2014 with a bit of postal history by the numbers:

- 1901: 77,000 post offices nationwide
- 1950: 41,000 post offices nationwide
- 1969: 32,000 post offices nationwide
- 1971: US Postal Department becomes US Postal Service
- 1975: 30,000 post offices left nationwide
  - Government Accounting Office (GAO) wants to close 12,000 buildings
- 1976: Congress places moratorium on closures
- 1977: Moratorium is lifted
- 2012: 27,000 post offices left

It should be noted that from 1975 to 2012 -- a span of 36 years -- there were only 3,000 offices closed, a fairly dramatic reduction of closures over this extended time. There were so few dollars to be saved for the Postal Service in closing post offices and substantial political pressure to keep them open.

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POStPlan will reduce retail service hours at 13,167 post offices, but closures have all but been stopped for now. It has people wondering, "How did we get here?" The POStPlan really started on December 1, 2011, with the change to US Code of Federal Regulations, Title 39, which allowed the Postal Service to staff a post office with any postal employee; it does not have to be a postmaster. The realignment of postal hours began November 17, 2012, and the first 4,000 of over 13,000 post offices would have their hours of operation reduced at that time. This October marks the completion of phase one of POStPlan, yet offices can be re-evaluated annually and reduced further based on earned hours.* It could be blamed on the Internet, on too few postal customers, or a low workload, no legislative help and insufficient revenue to support an independent post office, but the POStPlan happened. However, the Postal Service says POStPlan is designed to keep post offices open, especially in small towns and rural communities.

"Retail optimization started slowly, but now is a major initiative," reports Mark. "First we offered retail services at contract stations, banks and grocery stores, reducing the need to visit a post office and the presence of postal employees." Next, stamps became available online like "click and ship" plus electronic kiosks became accessible. "Fast forward to a sluggish economy, a major drop off in mail volume, and then large mail processing centers swallowed up small mail processing centers, leading to more jobs lost in small town America. USPS got so efficient that carriers were no longer needed to sort a majority of their mail to the individual house address and even more jobs were reduced," he adds.

"Yes, there have been many changes, reductions and consolidations but we are a much leaner, more efficient workforce. <u>In spite of declining First Class Mail volume, the Postal Service delivered about the</u>

same amount of mail last year as it delivered in 1987—37 years ago— to seven million *more* places and with 200,000 *less* employees. We still play a vital role in the communication industry and can continue to do so," he continues.

New Products, Services Will Add Value, Revenue to Postal Offices
"Clearly, we need to prepare for the future and consider all viable alternatives, including offering bank services and partnering with local, state and federal agencies to offer services because post offices still play a vital role in rural America. Our package business is growing, and we're delivering on Sundays in several major markets. Merchandise sold online in the evening can be delivered the next day; we are going after this market. We have grown our package business by 50 percent over three years," continues Mark.

"Postal reform legislation offers hope, depending on the final bill, further reductions can be slowed down so we – as well as our customers – can plan for the future. We must remind Congress the Postal Service is an $800 billion organization and employs more than seven million Americans. Legislation is necessary for the post office, our customers and postal lessors."

*Earned hours comes from the mail volume each office sorts, the number of transactions at the window based on revenue, number of PO boxes rented, and number of deliveries on the routes. Postmasters get so many seconds for each activity and USPS Headquarters adds it all up to see how much time an office earns. USPS Headquarters doesn't take into account filling out money orders, for example, or any extra services provided to customers.