

THOMAS G. DAY
SENIOR VICE PRESIDENT
GOVERNMENT RELATIONS



November 23, 2005

The Honorable Adam Smith
House of Representatives
Washington, DC 20515-4709

Dear Congressman Smith:

This is in response to your November 16 letter to the Postmaster General, cosigned by Congressman Brian Baird, in further reference to the consolidation of some mail processing operations at the Olympia, Washington, Processing and Distribution Center (P&DC).

I appreciate this opportunity to address your concerns and clarify our plans. First, I want to reassure you that no career employees will lose their jobs. There are 24 affected career employees at the Olympia P&DC; 15 craft employees will be reassigned to Tacoma, and the other five craft employees will be reassigned to other Postal facilities within a 50 mile radius. Additionally, there are four administrative employees who will be reassigned to other postal facilities. The employees were briefed on November 1, at 12:00 p.m., PST, which was prior to the press release being issued. I can assure you that our managers in Olympia held standup talks with all employees who were on duty the day of the announcement on all three tours. Some employees who were on later tours may have heard about the consolidation after the press release went out. This is unfortunate but unavoidable given the later times of their shifts. However, they were briefed by management when they arrived for work that day.

I appreciate your concern that employees are not yet aware of their final reassignment. However, the most senior employees begin the bidding process first on their positions, followed by the most junior. This process, which is covered by the national agreements with the unions, takes some time before all employees have settled into their new jobs.

Secondly, I would like to review our plans regarding the postmark. The U.S. Postal Service understands the importance of the postmark to the community. For that reason, it is our plan to allow the community to continue to use their local designation wherever possible. The mail that is sent out from the State Capitol building is all metered. Since metered mail does not need further canceling, it will retain its existing Olympia designation. This is true for all businesses that meter their mail in Olympia as well. However, stamped mail that is cancelled by our machines will receive an Olympia-Tacoma postmark.

Also, as we discussed in our November 9 meeting, I want to emphasize that only 25 percent of the mail currently processed in Olympia will be processed in Tacoma. The remaining 75 percent, which is destined for delivery in Olympia, including all parcels, will continue to be processed at the Olympia plant.

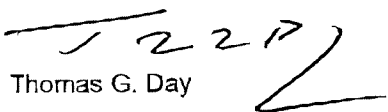
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You asked about any time adjustments that will be necessary for Consolidated Mail Services, which handles the state Capitol's mail. While the proposal initially considered that collection time would be moved back one hour, we have determined that will not be necessary. As to collection boxes in ZIP code areas currently served by the Olympia Processing and Distribution Facility, some boxes will be adjusted to earlier times. However, there will be a sufficient amount of collection boxes that will retain a 5 p.m. collection time to ensure the maintenance of service for our customers.

You asked what the rationale is for proceeding with our consolidation plan, and if we considered the history of local opposition to it in 1987. We are aware of the history; however, since that time there have been several major changes that have affected our mail processing and distribution operations such as declines in First Class mail volumes, shifts in population demographics, and the rise in electronic communications. Additionally, the Postal Service has been urged by both the President's Commission on the Postal Service, and GAO to streamline our network and distribution processes so that we can become more cost efficient and productive. The Olympia area mail processing plan will generate annual savings in excess of \$1 million.

Again, I appreciate this opportunity to clarify our plans. Please know that we will make every effort to ensure a smooth transition for both our employees and customers.

Sincerely,


Thomas G. Day