

Post office mulls closing hundreds of offices

Postal agency is facing a nearly \$7 billion potential loss

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WASHINGTON - A pillar of U.S. communities since the nation's founding, the post office is facing the prospect of closings or consolidation of services at hundreds of locations amid a sharp decline in business due to e-mail.

The Postal Service may register a loss of nearly \$7 billion this fiscal year in spite of a 2-cent increase in the price of stamps in May, cuts in staff and removal of collection boxes.

Post officials sent a list of nearly 700 potential candidates for closing or consolidation to the independent Postal Regulatory Commission for review.

More may be added, but the current list of candidates can be viewed at the [commission's Web site www.prc.gov](http://www.prc.gov)

Some of the offices could be closed while others could have some of their functions consolidated with other offices. For example, in some cases preparing mail for delivery may be shifted from Office A to nearby Office B, but the first office might still offer such services as selling stamps and mailing parcels and letters. In other cases one of the offices might be closed.

Postal Vice President Jordan Small told a congressional subcommittee that local managers will study activities of approximately 3,200 stations and branches across the country and consider factors such as customer access, service standards, cost savings, impact on employees, environmental impact, real estate values and long-term Postal Service needs.

No changes are expected before the end of the current fiscal year on Sept. 30. There are 32,741 post offices.

"We anticipate that out of these 3,200 stations and branches, under 1,000 offices could be considered as viable candidates to study further," Small said.

In addition to the switch of business to the Internet, the recession has hurt the post office by reducing advertising mail. Last year's high gas prices also siphoned millions of dollars from its coffers.

Just last week the Government Accountability Office added the Postal Service to its list of troubled agencies, saying serious and significant structural financial challenges face the agency.

"Every major postal policy, from employee pay, to days of delivery, to the closing of postal facilities must be on the table. Without major change, the day will soon come when the Postal Service will be unable to pay its bills," GAO said.

Congress is considering a bill to change the way the post office funds its retiree health benefits over the next two years that could save it \$2 billion annually.

The post office also filed a petition with the independent Postal Regulatory Commission indicating that managers are looking at closing many post offices to save money.

In addition, Postmaster General John Potter has asked Congress for permission to reduce mail deliveries from six days a week to five.

Last year, mail volume fell by 9.5 billion pieces to a total of 203 billion pieces. It is expected to fall by 28 billion pieces this year to a total of 175 billion pieces.