

Congress of the United States
House of Representatives
Washington, DC 20515-1802

May 13, 2015

Megan Brennan
Postmaster General
United States Postal Service
475 L'Enfant Plaza
Washington, DC 20536

Dear Postmaster General Brennan,

I am writing to express my disappointment in the USPS's failure to provide my office with clear and coherent data justifying the consolidation of the mail processing activities at the New Orleans Processing & Distribution Center to a facility in Baton Rouge. This consolidation, if it moves forward, will have a profound impact not only on jobs in my district, but also on the numerous small businesses and constituents who rely on timely mail service. With this in mind, it is unconscionable that the USPS has proven either unable or unwilling to provide data that validates this decision.

Over the past five months, my office has made several attempts to acquire the data used to justify this consolidation. Each time, the data provided has been either insufficient to explain the financial advantage of consolidating these facilities, or it has been so vague and heavily redacted that it is impossible to interpret in any meaningful way. In this letter, I will reiterate the questions and concerns I have about the effects of the proposed consolidation, and about the data used to reach this decision. Please know that I will interpret failure of the USPS to provide satisfactory answers to these questions as an indication that the USPS cannot show that this consolidation is financially prudent.

- The Area Mail Processing (AMP) report on the consolidation lists \$129,000 in savings associated with transportation to and from hubs in Thibodeaux and Houma, which are both closer in distance to New Orleans than to Baton Rouge. In communication with my office, the USPS indicated that the reason for this discrepancy is that these savings are a result of the number of trips travelled rather than the distance travelled. If this is the case, then why is the change of location necessary?
- The AMP report lists more than \$270,000 in savings associated with transportation to and from Atlanta, Tampa, Jacksonville, and Orlando, all of which are closer in

distance to New Orleans than to Baton Rouge. In communication with my office, the USPS indicated that the savings stem from removing the stop in New Orleans on the way to Baton Rouge, shortening total distance. If this is the case, the mail bound for New Orleans must ultimately return to New Orleans, requiring additional trips not accounted for in the report. What is the estimated cost of these additional trips, and after accounting for it, are there any savings at all associated with transportation to and from the aforementioned cities?

- The AMP lists \$110,000 in savings associated with transportation *from* the Slidell Hub, and fails to list the savings associated with transportation *to* the Slidell Hub, which is closer in distance to New Orleans than to Baton Rouge. In communication with my office, the USPS indicated that these savings reflect only part of the route, and that there are, in fact, additional costs not reflected in the report, and referenced additional savings associated with the route. Given this information, can the USPS provide a complete and accurate accounting of the savings or loss associated with transportation to and from the Slidell Hub?
- The AMP lists more than \$1.6 million in savings associated with reductions in workforce hours, though virtually all of the data used to calculate this savings is redacted. In communication with my office, the USPS indicated that much of this savings comes from “the expectation of improved efficiencies” at the Baton Rouge facility. Can the USPS provide data on which this expectation is based? Is there any reason to believe that the new facility will use fewer workforce hours or overtime hours? Can the USPS provide any evidence of actual savings, rather than expected savings, associated with the consolidation?
- Given that much of the savings in the report is based on a reduction in the number of trips, rather than a more efficient route, please provide any and all data used to reach the conclusion that this consolidation actually saves money, independent of simply reducing the number of trips.
- According to the Postal Regulatory Commission (PRC), the USPS used “workforce hours per square foot” as a measurement for plant productivity. The PRC points out that this is an unconventional measurement, and claims that it is contrary to empirical evidence. In communication with my office, the USPS indicated that an accurate measurement of the productivities of both the New Orleans and Baton Rouge facilities were used to determine that this consolidation was necessary, but declined to provide any data. Can the USPS provide my office with this data?
- In communication with my office, the USPS did not provide data on the effect of any potential slowdown of mail delivery on local households and small businesses. Given that many areas in which facilities have recently been consolidated have reported significant slowdowns in mail delivery, can the USPS provide any data showing that similar problems will not occur in the New Orleans area?

Thank you for taking the time to listen to my concerns, and I look forward to receiving your response.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Cedric L. Richmond', with a stylized flourish extending to the right.

Cedric L. Richmond
Member of Congress