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November 19, 2009

John E. Potter  
Postmaster General  
c/o Jerome Giles  
U.S. Postal Service  
475 L'Enfant Plaza, SW, Room 10802  
Washington, DC 20260-3500

Dear Postmaster General Potter:

On August 6, 2009, the United States Postal Service notified my office that it would begin an Area Mail Processing (AMP) feasibility study at the Hickory Processing and Distribution Facility as part of a nationwide efficiency review of stations and branches. After concluding its study, the Postal Service announced in October that the Hickory facility was one of 371 stations and branches under consideration for possible consolidation.

I greatly appreciate the Postal Service's interest in receiving public input before making a final decision in this matter. I am also grateful that you have provided a public forum and a comment period to address questions and concerns about the consolidation issue. I commend your efforts to seek information from stakeholders and answer questions prior to taking action.

The Hickory facility and its workers have a consistent record of exemplary work that has resulted in strengthened efficiency as well as cost reductions for customers. For these achievements, the Hickory facility was the recipient of nine awards in 2008 and seven awards in 2009 for not only being efficient, but for being the most efficient processing and distribution center in the nation out of 412 plants. I strongly urge you to consider the negative impact that closure of this facility will have fiscally and operationally for both the U.S. Postal Service and constituents in my district.

First and foremost, my concern is with the loss of jobs in the Hickory area, which is already hard-hit with one of the highest unemployment rates in the country. Our local postal workers are trusted members of the community and have an invaluable knowledge of the region and its distribution routes and are the key to the effective and timely distribution of mail in the region. Even if the impacted employees remain with the Postal Service, their relocation outside the area still translates into a loss for our community and local economy.

Second, should the Hickory facility be consolidated with operations conducted out of Greensboro, I fear the impact the move will have on customer service in western North Carolina. Fewer postal workers will have to ensure timely mail distribution over a larger geographic distance. Despite optimistic projections from the Postal Service, the potential still exists for damaging delivery delays for area residents and businesses as volume is likely to increase from its current historic lows.

Third, the creation of longer-distance processing route for the western part of the state from Greensboro will add congestion to our roads, unnecessary additional costs for transportation, increased fuel consumption, and a rise in vehicle emissions harmful to the environment.

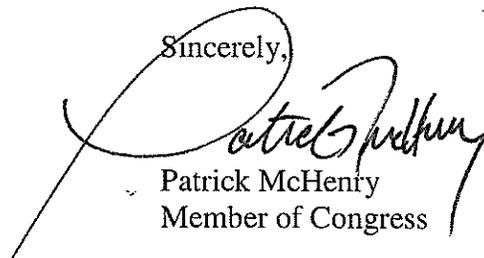
Fourth, although the U.S. Postal Service has projected cost savings of approximately \$1.5 million resulting from the consolidation of the Hickory facility, these estimates do not account for increased costs in other areas. Transportation costs for operating between Greensboro and the western part of the state will result in an extra cost of approximately \$85,000 a year. The salaries of eliminated workers - which makes up the bulk of the reported savings - appear inflated in the context of total cost reductions for the Postal Service. Most of the reported wage expenses will still be incurred by the Postal Service after the move. In addition, actual wage cost savings will be offset to some extent by moving and training costs associated with the relocation of affected employees.

In light of the importance of the Hickory Processing and Distribution Center to western North Carolina and the serious concerns I have about the realistic impact the move will have on costs and performance for the Postal Service, I must urge you to reconsider its consolidation with the Greensboro facility.

I have attached several questions regarding the proposed consolidation, and request a prompt and thorough response from the USPS. If there is any further information I can provide to attest to the necessity of maintaining postal operations at the Hickory Processing and Distribution Center, please do not hesitate to contact Alexis Rudakewych in my office at (202) 225-2576.

I am confident that you will give any additional comments submitted by affected or concerned parties proper review. Thank you for your consideration.

Sincerely,



Patrick McHenry  
Member of Congress

PTM/ar

**Questions for Hickory AMP Meeting: November 19, 2009**  
**Congressman Patrick McHenry, NC-10**

- 1) There were 67 recommended processing center consolidations nationwide. The bulk of the cost reductions cited in the Area Mail Processing Study (AMP) for each one are through salaries. However, per collective bargaining agreement requirements, the downsized employees are generally relocated elsewhere. How does USPS realize a net savings from such a move?
- 2) Were productivity losses from training relocated staff in new positions and other relocation costs factored in to the salary based cost savings calculations?
- 3) Will any occasional employees from the Hickory Processing Facility or any associated facility in the region lose their jobs as a result of the move? If so, how many?
- 4) While the \$1,134,092 in wages involved will continue to be paid by USPS after the move, the resulting relocations will remove that much annually from a local economy already reeling from 15% and over unemployment rates. Has USPS factored in how this will exacerbate the low commercial mail volume problem? What research has USPS done to determine how staff reductions in regions with high unemployment affect the underlying issues impacting mail volume?
- 5) The AMP projects \$250,517 in maintenance savings. Can you expand on the specific sources of these savings?
- 6) The AMP projects \$80,022 in annual increased transportation costs. Are those costs based on current costs only or do they factor in projected inflationary increases?
- 7) Has USPS conducted an environmental impact study or consulted impacted regions along the route between Hickory and Greensboro with regard to the affect the increased truck traffic resulting from the move will have on air quality? Hickory and communities along the corridor between Hickory and Greensboro are experiencing serious PM 2.5 and Ozone nonattainment issues. In the case of Hickory, the margin of compliance is so close that even a small increase in emissions could make the difference between being in or out of compliance. This is of particular concern for the Hickory MSA. If the added emissions were the result of new industry, there would at least be economic growth to mitigate that negative. However, in this case the increased emissions come with a loss of jobs, a \$1,134,092 annual loss of capital circulating the local economy, and the problems nonattainment status present for keeping existing industry and recruiting new industry.
- 8) The AMP states there will be no significant delay or loss of services for customers. Can you expand on how the additional transportation time is incurred without delays or earlier delivery deadlines for presort customers?
- 9) How is the gaining facility (Greensboro) specifically better suited to process the mail in question more efficiently than the losing facility (Hickory)?
- 10) Was the recommendation based on current or average mail volume? Since we are at the bottom of an economic cycle it is likely use will go up in the long term. How costly would it be to restore service if demand increases or service is later found to be degraded as a result of the consolidation?