

United States Postal Service

Potential closure of Topeka Processing & Distribution Facility

**Comments from: Christy Caldwell, Vice President Government Relations
Greater Topeka Chamber of Commerce**

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The Greater Topeka Chamber of Commerce would like to express our concerns with the proposed closure of the Topeka Post Office Processing & Distribution facility.

First of all we recognize the U.S. Postal Service has been under tremendous pressure to control costs in light of income not meeting expenses. We can appreciate that every opportunity to save dollars should be explored by Post Office officials. We are also aware that when cost-cutting measures are followed through, sometimes there are unintended consequences. It should be noted that changes resulting in less service and timely access to mail may be the foundation for further reduction in customer usage, thereby causing even more loss in postal income. We believe this result could be an unintended consequence should the closure of the Processing & Distribution facility in Topeka become a reality. We certainly know from a number of Topeka business mail users that this proposed closure is of grave concern and will cause severe disruption in their business practices.

Currently the zip codes, 664, 665, 666, and 668 are serviced by the Topeka facility. This reaches as far as Geary County to the west, Nemaha and Brown Counties to the north, Osage County to the south and near Lawrence on the east. This is a significant area of the state, including the capital city of Kansas whose mail processing and distribution will be shifted out of state and out of district, to Missouri. Today most first class mail is delivered in one day within this service area. Adding a day or more to ship the mail to Missouri from northeast Kansas, process and ship mail back to northeast Kansas for distribution will negatively impact postal customers in the northeast area of Kansas. We also have concerns whether the Missouri facility will give preference to process their district mail when faced with peak usage.

Local businesses are anxious about the impact on their operations and worried about their clients. They rely on timely mail service in conducting their operations and in meeting schedules. We hope you are concerned that by having less suitable mail service, it will drive more mail users to select other options to handle their communications needs, only exacerbating dwindling mail usage.

Several firms in Topeka have shaped their workforce schedule to meet their mail service requirements. They are very concerned about timely delivery of incoming mail and processing outgoing mail. Their mail is date sensitive, it may be the receipt of important documents or customer payments, mailing statements, communication to shareholders, medical deadlines and delivery of medicines or purchases. Increasing the length of mail delivery to businesses and their customers is problematic. In some cases late communications will cause their customers problems by affecting credit ratings; deadlines for service applications, access to important documents, processing internally mail to meet business deadlines. Closure of the Processing and Distribution facility will negatively impact companies who currently pick up mail multiple times in the middle of the night from the Topeka facility in order to process it internally by overnight shifts preparing the mail contents for the next employee shift to handle when they arrive. Company payments arriving over the course of two to three days later than is now delivered will cost companies interest income. Interest received on millions of dollars is considerable and will be even more as the economy recovers.

Businesses many times drop off their mail at the Processing and Distribution facility throughout the day. If there is a problem with it, postal employees call that company; many times the company can have someone return to the facility in a matter of minutes to rectify the issue. If the problem is not discovered until the mail arrives in Missouri, will the company be notified in such a timely manner? Certainly a trip to Missouri is much more of an issue to remedy a problem.

Postage discounts earned when mail is presorted and dropped off at the North Topeka plant impact many companies and organizations. Although your summary indicates that discounts will be available; it is not clear the same discount amount will be applied. Will mail need to be delivered to Missouri in order to receive discounts? A \$500 monthly discount is not trivial to a non-profit communicating with their members or fundraising to provide their services.

Topeka is the capital city of Kansas; there are numerous state and federal operations in this city. Timely written communications are important even in this day of instant electronic communications. In addition to constituent communications and government business, state and local governments receive payments through the mail. Just like many businesses they must process incoming checks quickly. Slower access to mail can affect revenues and earned interest which is important to all government operations and citizens of Kansas. The state Revenue Department has calculated that a one day delay will cost the state \$5000 in lost interest on tax receipts at today's 1/10% interest rate. When that interest is at 3% the loss becomes \$156,000 per day.

It is unclear in the AMP study regarding the closure of the Topeka Processing and Distribution facility that costs to postal customers was evaluated – certainly there is a significant negative impact. Although the notification from the U.S. Postal Service indicated that AMP presentation materials would be available on your website a week prior to this hearing, it is not there, nor is a copy of the full AMP feasibility study available. We know of no businesses that were interviewed during the study regarding the impact such closure would have on their operations.

The Topeka Chamber is also very concerned with the loss of 150 jobs at the Topeka facility. The AMP summary states that there will be a net decrease of 80 jobs while currently there are approximately 150 employees working at the Topeka facility. It is unclear whether 70 employees will be offered positions at the Missouri location? These 150 employees represent 150 families with homes here, they purchase goods and services in our community, they are active citizens of our community. Such loss will affect our local economy. The business community relies upon these employees to provide quality and timely mail service to our community and communities in northeast Kansas. This would be a considerable loss. The Topeka Chamber is constantly working to grow jobs and the economy in our community, the loss of these jobs to Missouri is particularly troubling.

We understand the Post Office's need to change its model and reduce costs. However we challenge the organization to find cost savings that will not erode the relationship between the Post Office and its business customers. Business patronage is critical to the future of postal service; businesses need a reliable system of communication that the Topeka Processing and Distribution facility now provides. We hope you want to bolster that relationship rather than make it difficult for business operations. We ask that you review your plans and consider the impact this will have on business and individual customers, we ask you to consider the costs that your patrons will bear to accommodate less service.

The Topeka Chamber of Commerce does not support the closure of the Topeka Processing and Distribution facility, it will harm local businesses and we suspect the same for other communities throughout the service area. We are trying to grow our economy, we are seeing interest and growth in our region. Topeka is adding businesses that will depend on quality and timely mail service. The region is also growing, we will soon have a major federal bio-defense facility in nearby Manhattan likely creating a new location for private bio-industries to locate nearby. Military presence at Ft. Riley continues to grow. Other cities in this region are working with the state to bring more business and industry to their communities. This region holds great promise. We need the U.S. Postal Service to make service decisions that will support growth. We respectfully ask that you abandon plans to close the Processing and Distribution facility in Topeka, Kansas.