



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

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GENERAL INVESTIGATIVE  
DIVISION

OCT 17 1975

Mr. Edward V. Dorsey  
Senior Assistant Postmaster  
General for Operations  
U.S. Postal Service

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Dear Mr. Dorsey:

During the course of our work in the Western Postal Region we inquired into the need for separate postal concentration centers in Seattle, Washington, and San Francisco, California. Both the Seattle and San Francisco centers process mail from all points in the United States addressed to military post offices in the Western Pacific area. The San Francisco center currently handles mail to be transported by air and surface carriers, while Seattle only handles mail to be transported by air. The military services pay the cost for overseas transportation by commercial carrier.

Based on the information we have obtained, it appears that both the Service and the military could realize substantial savings if the San Francisco center were used exclusively to process mail to be transported by ship and the Seattle center were used exclusively to process mail to be transported by air.

A number of studies by the Western Region since 1972 have shown that economies could be realized by consolidating operations at either Seattle or San Francisco. The Service apparently has been reluctant to consolidate the operations due to the community and congressional opposition that could be expected to be forthcoming from the area adversely affected by a center's closing.

A January 1975 Western Region study showed annual labor and transportation savings of at least \$504,000 if all mail to be transported by air were routed through the Seattle center. According to the study, routing all air shipments through Seattle would result in a \$295,000 savings by eliminating duplicate postal operations. This is based on an estimated 10 percent reduction in supervisory, support, and mail processing positions. In addition, the Department of Defense, by taking advantage of lower air rates to Pacific destinations, could save \$229,000 in air transportation costs. The Postal Service would have to pay about \$20,000 for additional domestic transportation costs associated with Seattle routing; thus,

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the net transportation savings to the Government would be about \$209,000. The study showed that San Francisco should continue to handle all surface mail because the frequency of ship departures from Seattle does not provide satisfactory service.

Although the mileage from Seattle to Western Pacific areas is less than from San Francisco, air carriers charge the Department of Defense the same rates for regular airmail and military official mail shipped from either location. The rate for space available mail, however, is less from Seattle. For example, one ton of mail transported on a space available basis to Tokyo, Japan, costs the military \$64 more when originating from San Francisco than from Seattle. A similar difference of \$78 exists for mail sent to Seoul, Korea. In spite of the lower rates from Seattle, about 78 percent of space available mail was airlifted from San Francisco during calendar year 1974.

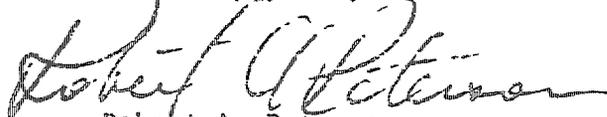
Western Region officials told us that Seattle facilities are adequate to handle the total monthly mail volume of about 766 tons requiring air transportation. According to the officials, the Seattle center previously handled tonnage exceeding this amount. They stated also that they believe that employees affected by the elimination of duplicate operations would be able to transfer to other jobs occasioned by normal employee turnover.

We discussed this matter with the Regional Postmaster General, and he agreed that savings were possible. We were advised that the region would take steps to route all air shipments through Seattle if headquarters approved.

In view of the substantial labor and transportation savings possible, we believe the Service should take action to route all mail to be airlifted through the Seattle center. This form of consolidation should minimize community and congressional opposition since it does not require the complete elimination of either center, and the number of affected jobs is minimal.

We recognize that there may be other factors that could impact on the decision to consolidate operations, and would appreciate receiving your views on this matter. Before responding, however, we would appreciate the opportunity to discuss with you any circumstances precluding the consolidation.

Sincerely yours,



Robert A. Peterson  
Assistant Director



UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

GENERAL GOVERNMENT  
DIVISION

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OCT 22 1975

Mr. William S. Winn  
2737 Briarwood Boulevard  
East Point, Georgia 30344

Dear Mr. Winn:

I have read with interest your letter concerning our report on the savings possible by closing many small rural post offices. We appreciate your efforts supporting our recommendations.

Recently, the House of Representatives concluded 3 days of hearings on our report. You will be pleased to know that, because of the hearings, the Postal Service is now revising its procedures to allow more small offices to be closed.

Because of your interest, we are enclosing a copy of our report to the Congress.

Sincerely yours,

*Victor L. Lowe*

Victor L. Lowe  
Director

Enclosure

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