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Highlights

Highlights of [GAO-03-205](#), a report to the Ranking Minority Member, House Committee on Government Reform and Other Requesters

Why GAO Did This Study

While the U.S. Postal Service (USPS) rationalizes its infrastructure, it is weighing a proposal to close and sell its Information Technology (IT) center located in San Mateo, California. According to USPS, closing the IT center and selling the facility should save USPS about \$74 million over the next 10 years and result in increased efficiency. All IT union employees and about half of IT management employees will be offered the opportunity to relocate with their jobs to other postal IT centers. The San Mateo IT Center also houses an Accounting Service Center whose functions and staff are to be moved into leased space in the San Francisco Bay Area. GAO undertook this study to, among other things, identify the process USPS is following in making its decision about closing the IT center and determine the impact such a closure would have on IT employees at the center.

What GAO Recommends

GAO recommends that USPS review and update, if appropriate, the analyses used in support of closing the San Mateo IT Center to better reflect current conditions before making its final decision about closing the center. GAO also recommends that if USPS decides to close the IT center, it should consider offering to help union employees find local jobs if they decide not to relocate. USPS did not comment on GAO's findings, but it agreed with GAO's recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-03-205.

To view the full report, including the scope and methodology, click on the link above. For more information, contact Bernard L. Ungar on (202) 512-2834 or at ungarb@gao.gov.

POSTAL SERVICE

Employee Issues Associated with the Potential Closure of the San Mateo IT Center

What GAO Found

USPS is following its Investment Review and Approval Process in reaching a decision about closing the San Mateo IT Center. To support the investment needed to close the IT center, the process requires—and USPS prepared—analyses based on prevailing economic and other conditions. However, these conditions have changed since USPS prepared the analyses in 2000. In 2001, USPS announced plans to automate and reengineer its field accounting activity, which will result in USPS closing its 85 district accounting offices and consolidating the residual activities into its 3 Accounting Service Centers. USPS has not updated its analyses to reflect the changed conditions, but said that it planned to do so.

San Mateo IT employees anticipate mostly negative social impacts if they relocate and mostly negative economic impacts if they stay in the Bay Area. Of the 213 San Mateo IT employees who responded to our survey, 36 (17 percent) indicated they would likely relocate, although most would be offered jobs at other postal IT centers. In 2000, USPS' economic analyses included an assumption—and San Mateo IT employees believed—that local jobs would be available for those individuals who did not want to relocate. However, local postal jobs are no longer available, and nonpostal IT job opportunities have tightened considerably in the Bay Area.

GAO has previously noted that progressive organizations that are restructuring often provide job placement assistance to employees faced with losing their jobs. USPS plans to offer job assistance to management employees seeking nonpostal jobs. However, USPS does not plan to offer job assistance to union employees because such assistance is not covered by their collective bargaining agreement. Because the employment outlook in the Bay Area has changed dramatically, union employees who decide not to relocate may encounter difficulty finding employment in the Bay Area.

San Mateo IT Center



Source: GAO.