



Highlights of [GAO-12-506](#), a report to congressional requesters

## Why GAO Did This Study

USPS has lost \$25.3 billion over the last 5 years and expects to lose another \$83.2 billion through fiscal year 2016 unless it takes action to reduce its costs and improve its operational efficiency. USPS has cut costs in its retail, mail processing, and delivery networks, as well as in its field office structure, which includes 7 area offices and 67 district offices, and plans other cost-cutting actions throughout the organization. As requested, this report discusses (1) the role of area and district employees in implementing USPS's cost-savings and revenue-generation efforts and (2) USPS's actions to consolidate its field office structure in 2011, and the impact of this consolidation.

GAO analyzed USPS documents describing the role of field staff in carrying out USPS's cost-saving and revenue-generation efforts; information on the impact of the 2011 consolidation, including anticipated cost savings; and USPS's plan, issued in December 2011, for evaluating and implementing possible field office consolidations. GAO also interviewed USPS officials at headquarters and at four area and six district offices selected based on several factors, including geographic dispersion throughout the U.S.

## What GAO Recommends

GAO is not making recommendations in this report. USPS had no comments on a draft of this report.

View [GAO-12-506](#). For more information, contact Lorelei St. James at (202) 512-2834 or [stjamesl@gao.gov](mailto:stjamesl@gao.gov).

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## U.S. POSTAL SERVICE

### Field Offices' Role in Cost-Reduction and Revenue-Generation Efforts

## What GAO Found

Field employees have key roles in the U.S. Postal Service's (USPS) efforts to reduce costs and generate revenue. For example, these employees evaluate the feasibility of closing or consolidating facilities, such as post offices and mail-processing facilities; carry out the closures and consolidations of these facilities; and evaluate and consolidate delivery routes. These roles support USPS's plans to save, by 2016, about \$9 billion annually by improving its operational efficiency and realigning its retail, mail processing, and delivery networks with declining mail use. These plans include evaluating about half of its approximately 31,000 post offices to identify cost-reduction opportunities, closing or reducing operations at about half of its 461 mail-processing facilities, and consolidating about 20,000 of its 144,000 city delivery routes. Area and district employees also have a significant role in USPS's efforts to generate additional revenue by (1) promoting the value of mail to businesses, (2) maintaining and increasing its customer base through customer service, and (3) growing the package business.

In 2011, USPS consolidated its field office structure by, among other actions, closing one area office and seven district offices and eliminating 1,946 positions—actions that it estimated would save about \$150 million annually. However, several area and district officials expressed concern that this consolidation could lessen their ability to carry out ongoing and future cost-savings and revenue-generation initiatives, and to recruit and retain future managers. In December 2011, USPS issued a plan on how it would evaluate additional field offices for possible consolidation and address concerns that the USPS Office of Inspector General identified in past field office consolidations. These concerns included the need to develop a plan to guide future field office consolidations and to consider factors such as workload and proximity to other offices. According to USPS officials, the plan also addressed past concerns about inadequate documentation and transparency and will lead to post-consolidation reviews to assess lessons learned and measure actual savings. Although USPS has a plan to guide future consolidations, according to USPS officials, it does not plan additional field office consolidations until it has completed ongoing cost-reduction efforts in its retail, mail processing, and delivery networks.