

United States Senate

April 1, 2016

The Honorable Megan J. Brennan
Postmaster General
United States Postal Service
475 L'Enfant Plaza SW
Washington, D.C. 20260-1137

Dear Postmaster General Brennan:

I write to strongly urge the U.S. Postal Service (USPS) to indefinitely postpone further implementation of the Phase II Network Rationalization Plan. The Postal Service is expecting a significant loss in revenue due to the expiration of the January 2014 emergency, or "exigent," rate increase. I fear USPS may be tempted to use this rate decrease as an excuse to proceed with the misguided plan to further close and consolidate mail processing plants across the country under the belief it will reduce costs. Doing so would further undermine service in rural America while also costing the Postal Service money.

I am troubled by a recent report filed by the Postal Service with the Postal Regulatory Commission (PRC), which shows that the Postal Service's consolidation plan actually cost USPS tens of millions of dollars in FY2015. Specifically, in the first three quarters of the Phase II Network Rationalization Plan, transportation costs have exceeded the Postal Service's projections by over \$5 million, while savings in parts and labor has fallen well short of expectations. Indeed, the Postal Service has lost a total \$66 million implementing Phase II during fiscal year 2015.

This unfortunately comes as no surprise to customers in rural America. They understood that the closures and consolidations under the Mail Processing Network Rationalization (MPNR) plan would negatively affect service and likely end up costing the Postal Service money. In Helena, Montana for example, a single piece of mail travels 180 miles round-trip before landing in a post office box a mile away. This cannot be cost-effective.

It is obvious that the Postal Service's initial estimated cost savings under Phase II are inaccurate. Instead of setting the USPS on a path towards savings estimated at more than \$750 million, we have seen the MPNR plan degrade service across the country while also costing USPS an additional \$66 million. With this in mind, I strongly urge you to reject calls for further network cuts, as they will not improve the Postal Service's bottom line.

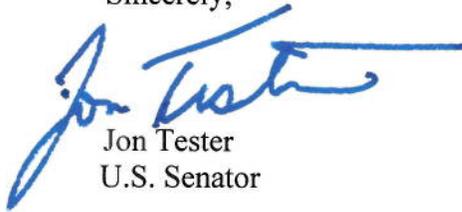
Finally, I urge USPS to work with Congress and its customers before embarking on any more large-scale financial decisions. I believe this cooperation will go a long way in finding adequate solutions that strengthen the Postal Service and better serve people across the country,

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particularly in rural areas. As a member of the Senate Committee on Homeland Security and Governmental Affairs, I take seriously my obligation to provide USPS with the tools it needs to provide quality service to all Americans.

The Postal Service must uphold its responsibility to its customers and I urge USPS to resist any attempts to move forward with the Phase II Network Rationalization Plan. Thank you for your attention to this important matter. I appreciate your consideration of this request and look forward to your response.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jon Tester", with a long horizontal flourish extending to the right.

Jon Tester
U.S. Senator