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General Government Division

B-276778

April 23, 1997

The Honorable John M. McHugh  
Chairman, Subcommittee on the Postal Service  
Committee on Government Reform  
and Oversight  
House of Representatives

Subject: U.S. Postal Service: Information on Emergency Suspensions of  
Operations at Post Offices

Dear Mr. Chairman:

This letter responds to your request for information on emergency suspensions of operations at post offices by the Postal Service. As you know, Congress has long been concerned with providing effective postal service to all areas of the country. Federal law requires that the Postal Service assess community and other needs before closing or consolidating post offices.<sup>1</sup> Emergency suspensions—the temporary closure of post offices because of emergencies and other conditions, such as a natural disaster or a lease termination—are not specifically governed by statute. Post offices under emergency suspension affect customers in much the same way as post offices that are officially closed in that services from those post offices are also no longer available. We briefly described emergency suspensions of post offices in our earlier report on post office closures,<sup>2</sup> and as requested, we are now providing information on (1) the Postal Service process for suspending operations at post offices, (2) the number of post offices whose operations were suspended since fiscal year 1992 and the reasons for those suspensions, and (3) the number of post offices currently under suspension and the length of time these suspensions have been in effect.

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<sup>1</sup>A closure is when the Service permanently discontinues the operations of an independent post office, and provides affected customers with alternative postal services, such as rural route services. A consolidation is when the Service replaces an independent post office with a station, branch, or contractor-operated community post office. A consolidation is a form of closure under 39 U.S.C. 404(b).

<sup>2</sup>U.S. Postal Service: Information on Post Office Closures, Appeals, and Affected Communities, (GAO/GGD-97-38BR, Mar. 11, 1997)

## RESULTS IN BRIEF

Under its policies and procedures, the Postal Service may suspend the operations of a post office under any one of several emergency conditions that constitute a threat to the safety and health of postal employees or customers, or to the security of the mail. These emergencies include circumstances such as a natural disaster or a lease termination. Service district managers are authorized to suspend operations of post offices and are required to (1) notify Service headquarters in writing of any emergency suspension and (2) notify affected customers of the reason for the suspension, alternative services available, the nearest post office and its hours of operation, and a person to contact for more information. Within 6 months of an emergency suspension, the district managers are to decide whether to reopen the post office or to initiate a study of the feasibility of permanently closing it. There is no time limit for completing such a study, and the post office remains in emergency suspension status while the study is being completed.

Since the beginning of fiscal year 1992 through March 31, 1997, Service records show that the operations of 651 post offices have been suspended. The reasons for these suspensions varied, but almost one-half were caused by the termination of the post offices' lease or rental agreement. To date, the Service has reopened 31 of the 651 post offices that were under suspension.

As of March 31, 1997, 470 post offices were under emergency suspension. The operations of these post offices have been suspended for periods ranging from a few days to over 10 years. Of the 470 whose operations were suspended, 348 were undergoing a study to determine the feasibility of permanently closing them. For the remaining 122, the Service had approved the district managers' recommendations to permanently close 45, and was reviewing the district managers' recommendations to permanently close the other 77.

## BACKGROUND

The Postal Reorganization Act of 1970 provides that no post office can be closed for economic reasons alone. The 1976 Amendments to the act added provisions that govern whether and how the Postal Service can close post offices, and that give affected customers the right to appeal Service determinations to close post offices to the independent Postal Rate Commission. Emergency suspensions of the operations of post offices by the Postal Service are not governed by statute and cannot be appealed. While under emergency suspension, post offices are, in effect, closed and affect customers in much the same way that officially closed post offices do in that they no longer offer services to their customers.

As we reported in our earlier report on post office closures,<sup>3</sup> under Postal Service policy, district managers may initiate a study of the feasibility of permanently closing a post office if one of three conditions exists. One of these conditions is that the post

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<sup>3</sup>GAO/GGD-97-38BR.

office is under emergency suspension.<sup>4</sup> In fact, Service records indicate that most post offices whose operations are suspended are eventually closed.

### POSTAL SERVICE EMERGENCY SUSPENSION PROCESS

The Postal Operations Manual and the Post Office Discontinuance Guide (Handbook PO-101) set forth Postal Service policies and procedures concerning the emergency suspension of post offices. They provide that Service district managers, Customer Service and Sales, may suspend the operations of any post office under their jurisdiction when an emergency or other conditions require such action. The Service defines an emergency as an occurrence that constitutes a threat to the safety and health of postal employees or customers, or to the security of the mail. Circumstances that the Service has delineated that may justify an emergency suspension include, but are not limited to, (1) a natural disaster; (2) termination of a lease or rental agreement when other suitable quarters are not available; (3) lack of qualified personnel to operate the post office; (4) a severe health or safety hazard in the work environment; (5) severe damage to, or destruction of, the post office building; and (6) lack of adequate measures to safeguard the office or its revenues.

Service procedures require the district managers to provide immediate written notice of all post office emergency suspensions to the Senior Vice President, Marketing. Also, the district managers are to notify affected customers by individual letter of the effective date and reason for the suspension, the alternative services available, the nearest post office and its hours of operation, and the name and telephone number of a person to contact for more information. The district managers are to establish alternative postal services for the affected communities as quickly as possible after a suspension, and if there is enough time before the suspension takes effect, the district managers should conduct a community meeting to explain the circumstances of the suspension and obtain customers' opinions about alternate services. Finally, the district managers are to decide within 6 months of a suspension whether to (1) reopen the post office by filling the postmaster position, securing alternative quarters, or taking any other necessary corrective action or (2) initiate a study to determine the feasibility of permanently closing the post office. If a study is initiated, the post office still remains in emergency suspension status, and there is no set time limit for the completion of the study.

### NUMBER OF AND REASONS FOR POSTAL SERVICE EMERGENCY SUSPENSIONS SINCE FISCAL YEAR 1992

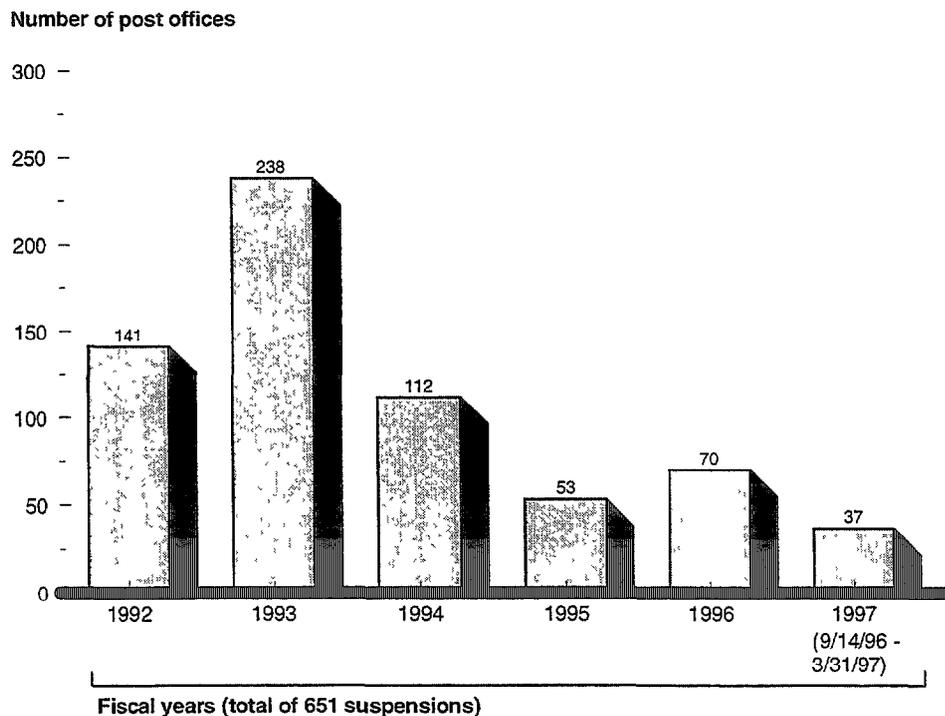
According to Postal Service data, since the beginning of fiscal year 1992 through March 31, 1997, the Postal Service has suspended the operations of 651 post offices for a variety of reasons. For the 5 completed fiscal years 1992 through 1996, the number of suspensions ranged from a high of 238 in fiscal year 1993 to a low of 53 in fiscal year

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<sup>4</sup>The other conditions are (1) a postmaster vacancy or (2) special circumstances exist, such as the incorporation of two communities into one.

1995, and averaged 123 per year. Through the first 6.5 months of fiscal year 1997, an additional 37 post offices' operations were suspended.<sup>5</sup> Figure 1 shows the number of post office suspensions for each year over this approximate 5.5-year period. To date, the Service has reopened 31 of these post offices.

Figure 1: Emergency Suspensions Since Fiscal Year 1992



Source: Postal Service data

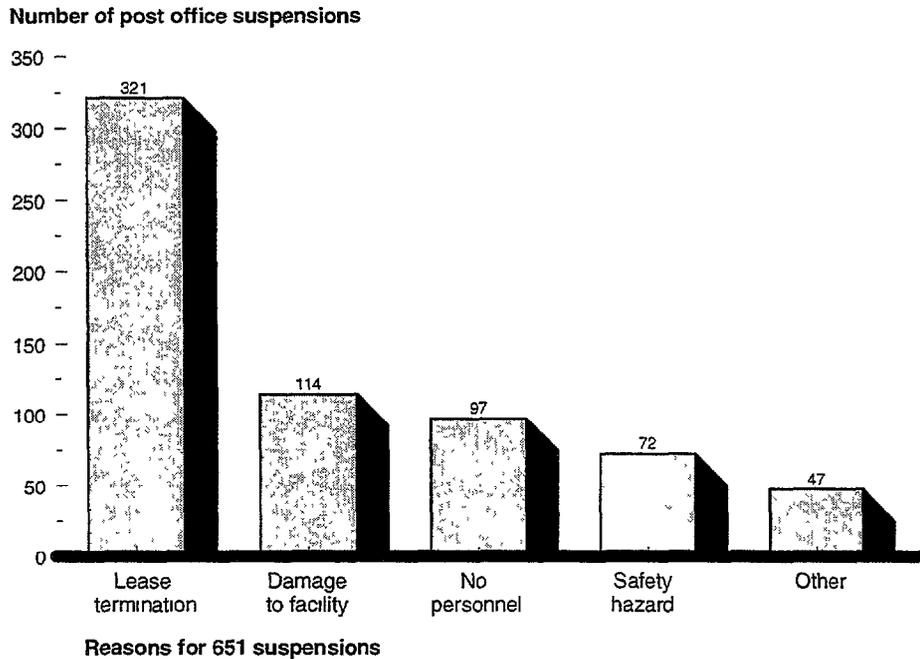
According to Service officials, the number of suspensions in fiscal year 1993 was high primarily because the early out retirement incentive program the Service offered to its employees in 1992 resulted in the retirement of a large number of postmasters early in fiscal year 1993 (see fig. 1). With the retirements, a number of post offices lost their lease because the retiring postmaster also owned the building and/or qualified personnel to operate the post office were not available. Therefore, the Service suspended operations at these post offices.

Further, Service records show that the primary reason for 321 of these 651 post office suspensions was that the post offices' lease was lost or rental agreement terminated and other suitable quarters were not available. In addition, operations at 114 of the 651 post offices were suspended because damage to the post office building had rendered the

<sup>5</sup>The Postal Service fiscal year 1997 began on September 14, 1996; thus the period September 14, 1996, through March 31, 1997, equates to 6.5 months.

facility unsuitable; 97, because the postmaster position was vacated and qualified replacement personnel were not available; 72, because of the existence of a safety hazard and other suitable quarters were not available; and 47, because of other reasons. Figure 2 shows the primary reasons for the 651 post office suspensions effected over the approximate 5.5-year period.

Figure 2: Reasons for Emergency Suspensions Since Fiscal Year 1992



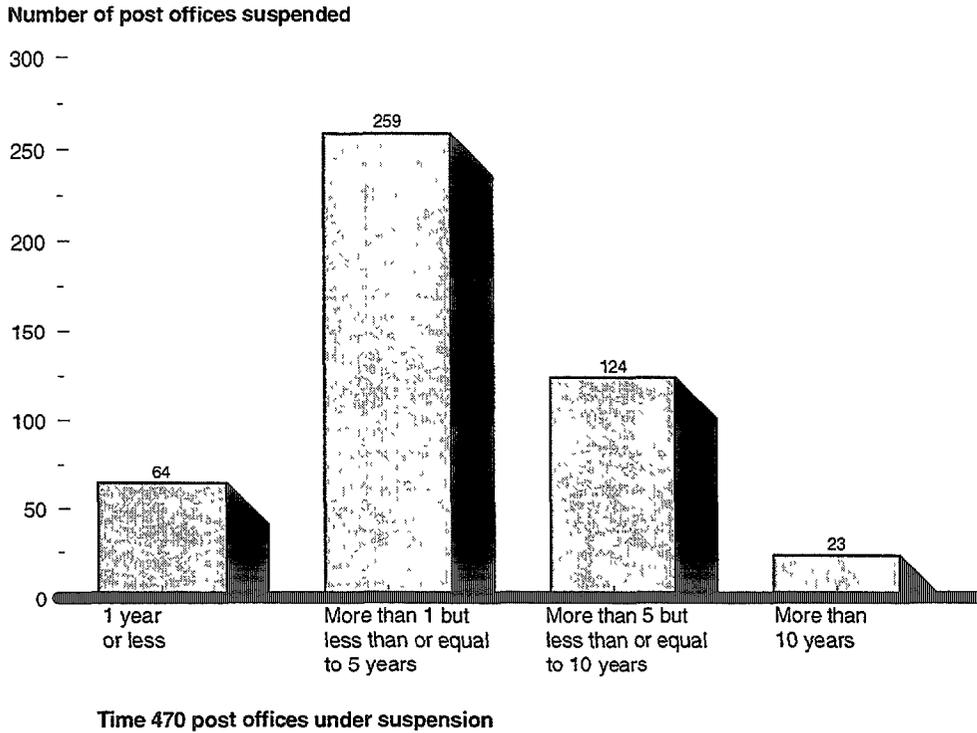
Note: In the "other" category, 47 suspensions were for reasons such as the occurrence of a natural disaster or security concerns about either the mail or postal employees.

Source: Postal Service data.

NUMBER OF POST OFFICES UNDER SUSPENSION AND LENGTH OF TIME  
SUSPENSIONS HAVE BEEN IN EFFECT

As of March 31, 1997, there were 470 post offices under emergency suspension. The operations of these post offices had been suspended for periods ranging from a few days to over 10 years, the average time being 4.3 years. Figure 3 groups these 470 post offices into four categories that show the length of time their operations have been suspended.

Figure 3: Length of Time Suspensions Have Been in Effect for Post Offices Under Suspension, as of March 31, 1997



Source: GAO analysis of Postal Service data.

Service officials stated that 348 of the 470 post offices whose operations were suspended as of March 31 were undergoing a study by their respective district offices to determine the feasibility of permanently closing them. Of the remaining 122 post offices, the Service had approved the district managers' recommendations to permanently close 45, and was reviewing the district managers' recommendations to permanently close the remaining 77.

AGENCY COMMENTS

We requested comments on a draft of this letter from the U.S. Postal Service. We obtained oral comments from the Postal Service Vice President, Retail, who was in agreement with the facts contained in the letter. We also met with members of her staff who suggested several technical changes to the letter, which we incorporated where appropriate.

SCOPE AND METHODOLOGY

To determine the Postal Service process for suspending operations at post offices, we reviewed the Postal Operations Manual and the Post Office Discontinuance Guide

(Handbook-101), and discussed the suspension process with appropriate Service officials at Postal Service headquarters in Washington, D.C. To determine the number of post office emergency suspensions since the beginning of fiscal year 1992, the reasons for those suspensions, and the number of post offices currently under suspension, we reviewed available records, including suspension notices and information from the Service's Post Office Discontinuance Tracking System, and discussed this information with appropriate Service officials at headquarters. We did not verify the information obtained from the tracking system. Also, we did not attempt to determine the number of post offices whose operations were suspended before fiscal year 1992 because, according to Service officials, information on suspensions prior to that time is not readily available nor entirely complete.

We did our work at Postal Service headquarters in Washington, D.C., in March and April 1997 in accordance with generally accepted government auditing standards.

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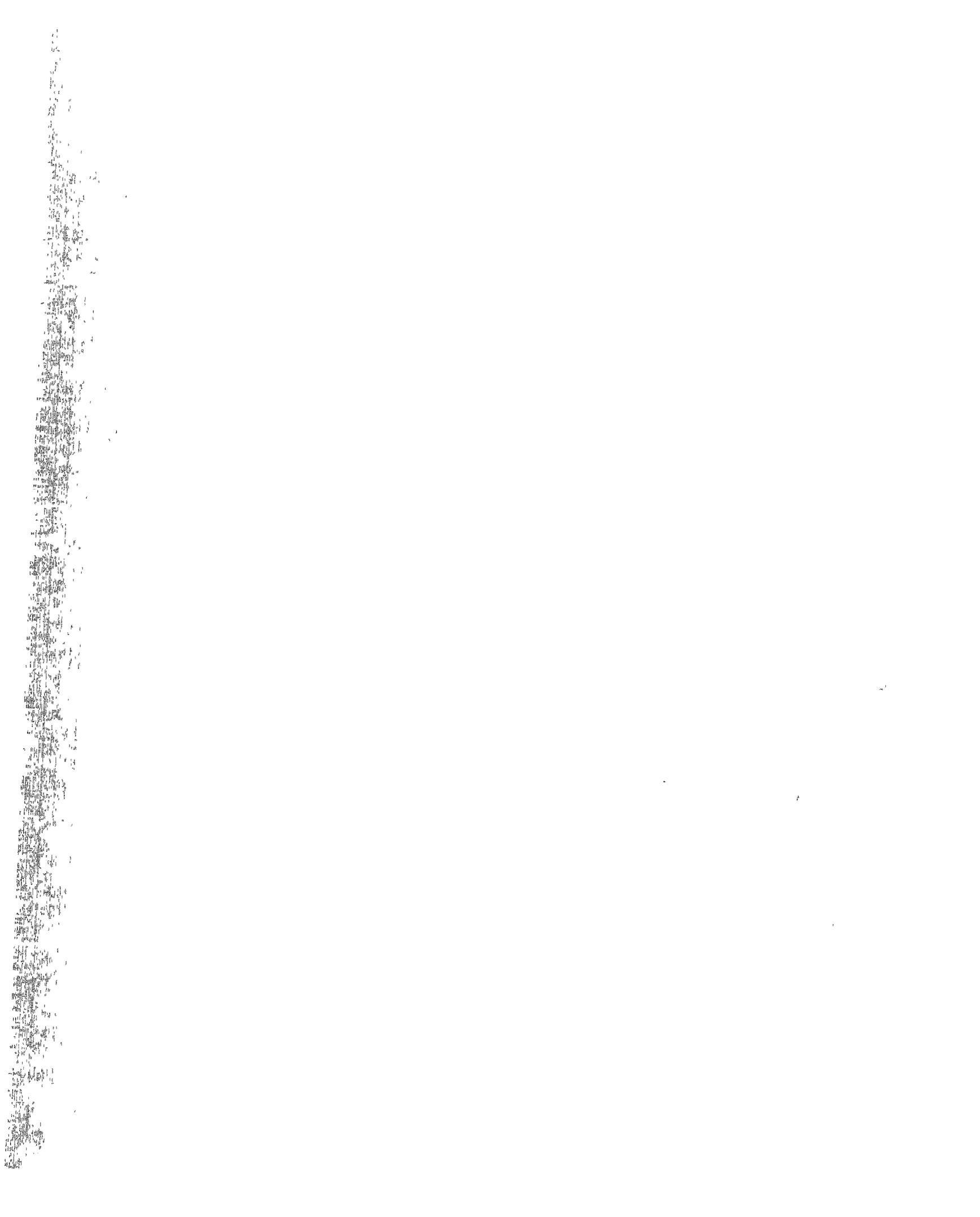
We are sending copies of this letter to the Ranking Minority Member of your Subcommittee; the Chairman and Ranking Minority Member of the Subcommittee on International Security, Proliferation and Federal Services, Senate Committee on Governmental Affairs; the U.S. Postal Service; and other interested parties. We will also make copies available to others on request.

Major contributors to this letter were Sherrill H. Johnson, Assistant Director, and David W. Bennett, Evaluator. If you have any questions about the information in this letter, please call me on (202) 512-8387.

Sincerely yours,



Michael E. Motley  
Associate Director, Government  
Business Operations Issues



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