

**PUBLIC COMMENTS OF ROCKFORD MAYOR LARRY
MORRISSEY REGARDING PROPOSED CLOSURE OF ROCKFORD
AREA MAIL PROCESSING CENTER**

January 5, 2012 Hearing at the Clock Tower Resort Conference Center

Thank you for the opportunity to provide comments regarding the proposed closing of the Rockford Post Office Sorting Facility. I appreciate the efforts of our legislative leaders and the administration to secure the current moratorium on facility closures until May 15, 2012. This moratorium allows local communities like Rockford to make our case to the Postal Service. This moratorium also provides Congress time to enact comprehensive postal reform legislation.

There are two major topics I will discuss tonight: first, the radical network re-alignment being proposed in the recent Mail Processing Study; and, second, the adverse impacts to the businesses and citizens of the Rockford Region. Let me start by stating that I fully understand and appreciate the importance of operating an organization in difficult economic times and the challenge of making structural changes to become more efficient and effective for our taxpayers.

Amid the ongoing economic crisis gripping our community, when our costs have risen while our tax base has fallen, we have had to continuously work with our staff, our City Council, and our community to meet the service needs of our citizens. I am proud, however, that we have gone about this difficult process in an open and transparent manner, gaining support and insights from citizen lead advisory groups, inviting the press and the public into our process. My concern tonight, however, is that the latest proposal to close our region's mail-processing and distribution center has not been open and transparent and, consequently, has not factored in the economic conditions of the Rockford metropolitan area and the

adverse costs that this closure would have on local business, local families, and our local federally supported social service network.

The Postal Service presentation shows a decrease in mail sorting facilities nationally going from 673 to less than 200 by 2013, including the consolidation of the Rockford facility into the Madison operation. As a mayor, what is very concerning to me is the adverse impact that this will have on the businesses within the 363 metropolitan areas within the United States. Each metropolitan statistical area should have a mail sorting facility in order to meet the business demands of the 21st century. Leaving the Rockford metropolitan area without a facility, one of the largest metropolitan areas in Illinois and the 144th largest MSA in the United States, makes absolutely no sense to me. Consider this: the nation's 363 metro economies are the driving force of the nation's economic performance, accounting for over 90% of the U.S. gross domestic product. Why would the Postal Service jeopardize business by not providing direct service in these metropolitan areas?

Furthermore, we are presented tonight with a very short and simple savings report from the USPS that lays out the "business case" for consolidating the Rockford facility. It purports that the annual savings is \$8,066,677. What the Report omits, however, are the costs of such a consolidation:

- What will be the costs to our Rockford community by losing from 82 to as much as 168 jobs? Remember, we are a region that remains battered by high unemployment, high crime, and high poverty?
- What will be the cost to our neighborhoods when we have more vacant homes when jobs are lost?
- What will be the cost in losing workers that contributed mightily to their churches, schools, and philanthropic organizations such as the United Way?
- What will be the cost to businesses that depend on timely service, businesses that must compete in a global economy?

- What will be the cost to our already overburdened social service network that will try to pick up the pieces for the families who have lost jobs?

My frank opinion is that your business case is incomplete. To be complete, it must be a comprehensive business case that takes into consideration the costs to the nation's metropolitan regions and the direct and indirect economic impacts. To be complete, your Report must consider this region's economic plight as a region with the highest unemployment rate in Illinois and one of the highest unemployment rates in the Midwest and the nation. To make matters worse, you propose to consolidate our facility with a Madison facility that is located in a region with one of the lowest unemployment rates in the entire country at 4.7%. ***Our community has three times their unemployment***, and I simply can't accept this closure as right or just. In fact, I believe that if there is going to be a consolidation, why can't we consolidate the Madison facility into the Rockford facility? Where is the analysis of the savings of consolidating the Madison territory into the Rockford facility? One thing we already know is that our private sector employer, UPS, has demonstrated that we are a world-class sorting hub for the entire country. Thus, I am most confident that we could handle Wisconsin's mail. And I most definitely know that with its very low unemployment, Madison wouldn't suffer the terrible negative economic impact that this facility closure will cause our community. In short, you have not made the business case and you have completely ignored the social and economic case for our community.

The Postal Service should be ordered to show a full economic and social impact analysis of the savings and costs associated with facility consolidation. Based on a full and fair analysis, my opinion is that you will find that a mail sorting facility should remain in each of the 363 metropolitan areas of the United

States. At a minimum, the top 200, which includes Rockford, should have their own facility.

To achieve the structural changes needed to compete efficiently in our 21st century economy, I would encourage the Postal Service to work with communities across Illinois and the nation, rather than working on its own. We need to have full disclosure, openness, and opportunities to engage in problem solving. We know it can be done because that is what we are doing here.

Despite our tough conditions, we are passing balanced budgets with very few layoffs. The City of Rockford actually ran a small surplus in 2011 due in large part to creative local partnerships with other governments and our incredible efforts and support from our staff and our community. We ask that our federal partners allow us to participate in the same types of discussions. I look forward to a solution that keeps the Rockford facility open.

Thank you.