

CARL LEVIN  
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# United States Senate

WASHINGTON, DC 20510-2202

June 30, 2014

The Honorable Patrick Donahoe  
Postmaster General  
U.S. Postal Service  
475 L'Enfant Plaza, SW  
Washington, DC 20260-0010

Dear Postmaster General Donahoe:

I write today to share with you concerns expressed to me regarding the U.S. Postal Service's (USPS) scheduled closure of its Iron Mountain Processing and Distribution Facility located in the City of Kingsford in Michigan's Upper Peninsula. USPS public notice given in 2011 is called into question and recent comments from the impacted business community are serious points of concern.

You will note by the enclosed correspondences and survey information from Upper Peninsula business organizations, the considerable impact this closure will have on small businesses in this part of rural Michigan. I ask that the UP Economic Development Alliance and the Operation Action UP questions be answered directly. In addition, I would appreciate an explanation of how public notice for the October 2011 Area Mail Processing public hearing was arranged for the Kingsford location and what consideration was given for the impacted Upper Peninsula customers outside of the City of Kingsford.

I look forward to your prompt consideration and reply.

Sincerely,



Carl Levin

CL/ab

cc: Postal Regulatory Commission

Enclosures

## STATE OFFICES

DETROIT  
477 MICHIGAN AVENUE  
SUITE 1860  
DETROIT, MI 48226  
(313) 226-6020

ESCANABA  
524 LUDINGTON STREET  
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ESCANABA, MI 49829  
(906) 789-0052

GRAND RAPIDS  
FEDERAL BUILDING  
SUITE 720  
110 MICHIGAN AVENUE, N.W.  
GRAND RAPIDS, MI 49503  
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LANSING  
124 WEST ALLEGAN  
SUITE 1810  
LANSING, MI 48933  
(517) 377-1508

SAGINAW  
515 NORTH WASHINGTON  
SUITE 4B  
SAGINAW, MI 48607  
(989) 754-2494

TRAVERSE CITY  
207 GRANDVIEW PARKWAY  
SUITE 104  
TRAVERSE CITY, MI 49684  
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WARREN  
30500 VAN DYKE  
SUITE 206  
WARREN, MI 48093  
(586) 573-9145



**UPWARD**  
**INITIATIVE**  
GROWING BUSINESS & INDUSTRY

Kim Stoker, Chair  
Western U.P. Planning &  
Dev. Region  
PO Box 365  
Houghton MI 49931

May 29, 2014

Tawni Ferrarini, Vice Chair  
NMU  
1401 Presque Isle  
Marquette, MI 49855

Dear Sen. Levin:

We would like to express our concerns regarding a very important decision made by the U.S. Postal Service (USPS) which negatively impacts Upper Peninsula businesses and as a result, may further negatively impact the USPS in the region.

Bruce Orthenburger,  
Treasurer  
Dickinson Area Partnership  
600 South Stephenson  
Iron Mountain, MI 49801

As you are aware, as part of its Network Rationalization study and evaluation, the USPS made the decision to consolidate several mail processing facilities in the State of Michigan. One of those consolidation decisions will eliminate mail processing at the Iron Mountain Processing and Distribution Facility located in Kingsford, MI; moving these operations nearly 100 miles south to the Green Bay, WI processing facility. This will effectively eliminate USPS Overnight and Next Day service to the largely rural 498 and 499 zip codes currently serviced by the Kingsford location. The affected region covers 13 of the 15 Upper Peninsula counties, a land area of over 31,000 square miles, with a total population of about 261,000.

Joel Schultz, Secretary  
MI-SBTC  
2950 College Ave  
Escanaba, MI 49829

Kristen Claus  
Sault Ste. Marie EDC  
1301 W. Easterday St  
Sault Ste. Marie, MI 49783

We understand that the USPS performed a feasibility study on this action as well as held a public meeting in October 2011, both of which only concerned the City of Kingsford. We also understand that by and large, the impacted Upper Peninsula business community was left unaware of the USPS proposal and decision making process. To better understand the impacts of this decision, an effort was made to notify businesses in the 498 and 499 zip codes and survey use of USPS services and the impact that eliminating Overnight and Next Day service would have.

Dan Dasho  
Cloverland Electrical  
Co-Operative  
725 E Portage Avenue  
Sault Ste. Marie, MI 49783

Holly Peoples  
Michigan Works! The Job  
Force Board  
2950 College Ave  
Escanaba, MI 49829

After receiving nearly 700 business responses over the past several months, the results show a number of concerning factors. First, a high percentage of responses, over 80% of respondents, many of these outside of the Kingsford area, indicate a heavy reliance on USPS services. Secondly, companies responded that if there are additional wait times for mail that they will likely seek out other providers for these services. Thirdly, when asked, nearly 75% of respondents believe that if implemented, the elimination of Overnight and Next Day service would negatively impact their business. We have enclosed combined raw data from the business survey for your reference.

Dennis West, President  
Northern Initiatives  
PO Box 7009  
Marquette, MI 49855

Joe Esbrook  
Packerland Broadband  
105 Kent St.  
Iron Mountain, MI 49801

While losing nearly 50 good paying jobs due to the closure of the Iron Mountain P&D Facility is bad enough, downgrading mail service within the Upper Peninsula will negatively impact businesses which already face a great number of daily challenges in



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today's economy. In addition, this will create yet one more challenge to attracting additional business and development in this region.

We would like to know what alternatives were explored. For example, since the Green Bay plant is considerably older than the Kingsford plant, did USPS consider closing the Green Bay facility and move operations up to the Kingsford plant? We would like to know what consideration can be made on behalf of our Upper Peninsula business community, and would like the USPS to reconsider its decision to close the processing facility in Kingsford. We would welcome an opportunity to work together with the USPS to resolve this situation.

Sincerely

Kim Stoker, Chair  
Upper Peninsula Economic Development Alliance



501 S. Front Street, Marquette, MI 49855 • (906) 226-6951

June 20, 2014

The Honorable Senator Carl Levin  
269 Russell Senate Office Building  
Washington D.C. 20510

Dear Senator Levin:

As you are aware, the United States Postal Service (USPS) has decided to eliminate mail processing at its Processing and Distribution Facility located in Kingsford, MI. This decision effectively eliminates USPS Overnight and Next Day service to the largely rural 498 and 499 zip codes. It is our understanding that the USPS performed a feasibility study that lead to this action. However, the Upper Peninsula business community was largely unaware of the USPS proposal and its decision.

A survey was conducted of businesses that operate in the 498XX and 499XX zip codes (*i.e.*, 13 Upper Peninsula counties covering ~31,000 square miles and a population of ~261,000 persons). After receiving nearly 700 responses to the survey, the results clearly show a number of disconcerting facts:

- Over 80% of the survey respondents indicated a heavy reliance on the USPS.
- Nearly 75% believe the elimination of Overnight and Next Day services would negatively impact their business.
- Additional wait times would likely cause U.P. businesses to seek out other providers for their mail services.

We are enclosing raw data from the business survey for your review and consideration.

In closing, the loss of nearly 50 good paying jobs and the reduction of mail service within the Upper Peninsula will negatively impact our region. This development adds yet another challenge to our business attraction and retention efforts. We would like to know what alternatives were explored and respectfully request the USPS reconsider its decision to close the Kingsford, MI facility. We welcome an opportunity to work with the USPS to resolve this unfortunate development.

Sincerely,

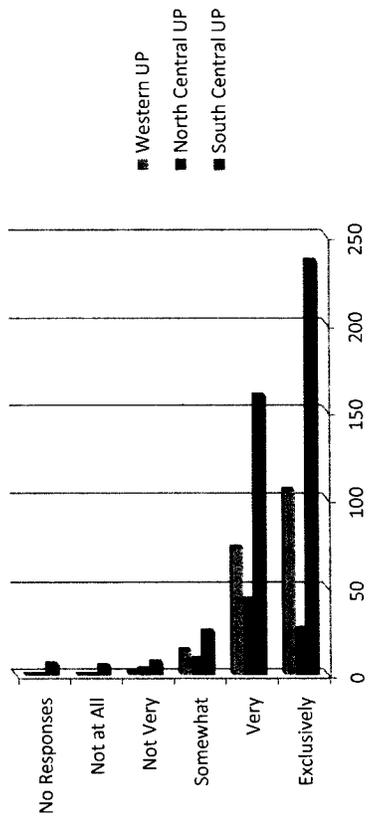
A handwritten signature in cursive script that reads "Brett French".

Brett French  
Co-Chair  
Operation Action U.P.

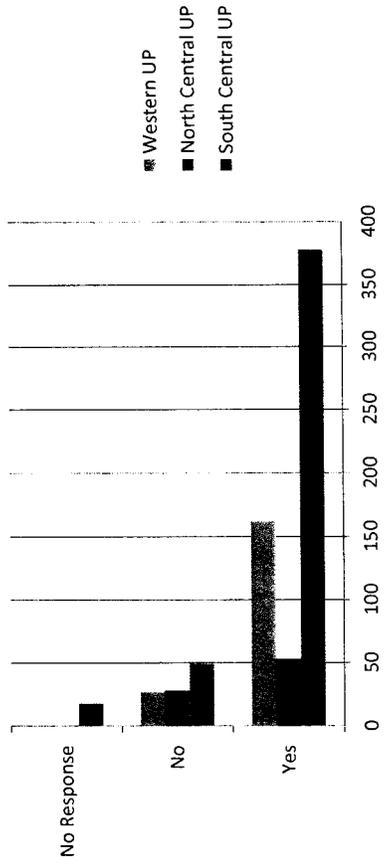
A handwritten signature in cursive script that reads "Tawni Ferrarini".

Tawni Ferrarini  
Co-Chair  
Operation Action U.P.

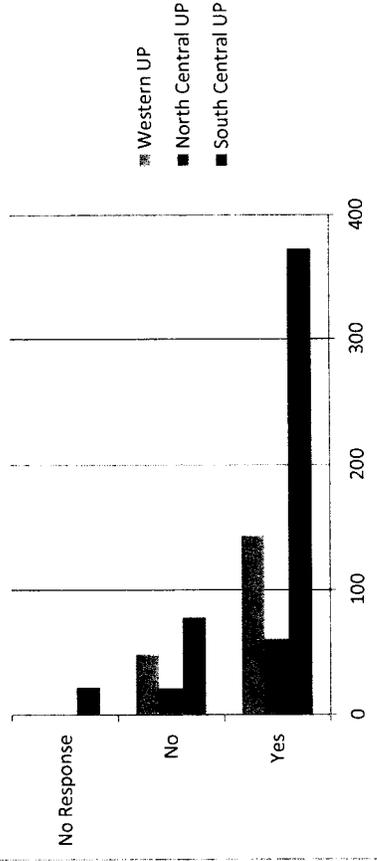
**Importance of U.S. Postal Service to your business currently**



**Wait times requiring the use of other services**



**Negative impact on business if overnight mail is eliminated**



## SELECT COMMENTS FROM SURVEY RESPONDANTS

- With as tight as my cash flow is waiting an extra day for customer payments to arrive would be very detrimental to my business.
- As a non-profit organization we depend on direct mail for fundraising, accounts payable and receivable and our quarterly magazine. Timing is essential for some of these.
- As a community newspaper and advertising shopper publisher, we send approximately 6,000 pieces weekly through Kingsford.
- The closure of Kingsford Postal Service and elimination over overnight shipping service would greatly impact our company as we use this service for our business and on a daily basis.
- It truly affects customer service and causes a negative image for our business when information is not received in a timely manner.
- The commerce of our business runs on wires, overnights and postal mail so the loss of U S Postal services would be very harmful to our business
- We do a lot of two days mailing and I think that would slow it down.
- Often we have clients who call and want something the next day. They may live/work in areas where mail service is faster, so they are surprised to find that overnight doesn't really mean overnight from Houghton, MI. With Kingsford closing, we will fall farther behind the rest of the country in mail delivery and turnaround times.
- Our investments ultimately rely on written materials and our accounting is done on the east coast, we often overnight materials back and forth. Elimination of overnight mail would certainly affect our operation and our operational process would be difficult without this service.
- I feel that using the US Postal Service is much more reliable than online. I work with computers, do payroll and all, but still insist on using the postal system to pay our bills, send out important letters, whether certified or not, much more reliable system.
- As a governmental unit we RELY HEAVILY on our postal service!
- This is a critical cash flow concern for small business in the UP
- The unique rural area of the U.P. is very dependent on the daily delivery of the U.S. mail. There are sketchy areas of coverage when it pertains to internet and wireless not to mention UPS, Fed-Ex and Dunhams Express.
- Without the U.S. Postal Service, it's quite likely our business would not exist.
- **DO NOT CLOSE THE KINGSFORD MAIL PROCESSING FACILITY! IT IS VITAL TO THE U.P. OF MICHIGAN!**
- There are certain bills that have to be paid certain times, do not want to use other services, but if my mail gets held up for additional wait times, then I will have to look for other means, even though I prefer not to.
- We cannot afford other carriers for letter mail.
- The costs associated with a delay will have a negative impact on our profitability and ability to react to customer and supplier concerns. This will also reduce our level of service for rapid prototyping.
- I have delivery deadlines to meet mandated by the State of Michigan.
- Delivery of water samples for mandatory testing for public health requires a 24 hour testing time for accuracy.
- It will delay info into our business as well as info we mail to clients. The alternative will be electronic delivery which will increase the damage to the USPS
- Our publication contains time-sensitive information, and delays in delivery will anger subscribers, and cost us both subscription and advertising revenue.
- We are more concerned about whether or not shipping times will increase for our outgoing packages. If so, we may consider FedEx or UPS as alternatives.
- **THE USPS IS VITAL TO OUR DOWNTOWN AND TO OUR BUSINESS! THE USPS DOES A GREAT JOB--WHY ARE YOU TRYING TO ELIMINATE THE USPS?**
- UPS and Fedex are the only other carriers in my area and neither are as convenient to use as the USPS for my business needs.