The United States Postal Service is currently facing a multi-billion dollar budget deficit due to decreased mail volume attributable to the increase in electronic mail. This deficit could add to the ever increasing complications of the current recession by forcing tax hikes and putting additional pressure on the financial system of the government. Many methods have been implemented to try and solve this crisis, including a ceasing of Saturday mail service, the closing of 1000 post offices and a proposed increase in postage costs in 2011. Unfortunately, the current methods being used to solve this crisis put monetary stress on the consumer and have yet to succeed in resolving the budget because costs still exceed revenue. Our solution approaches this problem from the technological perspective. We propose a turn towards more automated postal centers (or APCs) located within post offices (American Postal Workers Union). Although APCs are already in existence and in use by the United States Postal Service, their numbers are limited. Our plan suggests making APCs the primary component of all postal transactions at post offices. APCs will decrease the cost of the operation, thereby contributing to an overall reduction in deficit, by decreasing the amount of money dedicated to salaries and benefits because fewer workers will be needed.

According to the current model revenue will continue to decrease until paper mail is all but obsolete and then will level out around the revenue generated from services which electronic mail cannot replace, such as shipping packages. Cost decreases on this model because of current reforms and an associated decrease due to a smaller volume of mail as it becomes less popular but the cost will likely continue to exceed revenue because current workers’ salaries and retirement benefits, which cannot be decreased as they are part of a signed contract.

If workers were to be replaced with more APCs cost could decrease to a point below revenue. Currently, there at 664,400 people employed by the United States Postal Service with 15.786 billion dollars spent on compensation and benefits, health benefits, and retirement benefits (Number of Employees by Union Code PP10 (May 8, 2006))and (USPS). 205,000 of these workers are service clerks and there are 32,741 post offices in the United States (Potter, 2009) and (Number of Employees by Union Code PP10 (May 8, 2006)). Thus, on average, there are about 6-7 clerks working at each post office. As with self check-outs at grocery stores, the amount of workers needed to supervise APC usage is at a ratio of about 6:1. With the implementation of more automated machines the amount of service clerks needed could be reduced by enough to decrease costs back to below the annual revenue.

During our solution process we oversimplified the cost of implementing APCs. While routine servicing the stations is typically left up to pre-existing postal employees, we did not take in to account the cost of servicing the stations should there be a network error or other large scale problem. Additionally, we assumed that all consumers would be receptive to APCs.

**Future Without Plan:**

**Future With Plan:**

![](image-url)
References


