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Technology Enhancements Prompt Postal Service To Close Chattanooga TN Remote Encoding Center

(CHATTANOOGA, TN) —The U.S. Postal Service today announced that the Chattanooga Remote Encoding Center (REC) will be closed as part of the next phase of a nationwide consolidation plan. The facility, located at 911 Eastgate Loop, will close in April, 2009.

“The Remote Encoding Centers were designed as a temporary solution to automate and expedite the processing of handwritten and poorly printed addresses,” said Carolyn Chambers, District Manager for the U.S. Postal Service’s Tennessee District. “The plan from the start was to downsize the REC operation as technology enhancements enabled us to automate more mail.”

In 1994 when the Chattanooga REC and 54 others were established, postal computerized sorting equipment could only read two percent of addresses on handwritten envelopes. Since that time, with new technology improvements, postal computers are currently able to read and process 95 percent of the mail electronically.

Chambers said the decision about which facilities to close was based on a variety of business factors, including operating costs, facility costs, lease expiration dates and the ability of other RECs to absorb the workload. This closing, and the previous closings since the consolidation process began in 1999, means that the number of RECs will decline to five.

The Postal Service is providing the REC employees with as much advance notice of the closings as possible. The 145 career postal employees at the Chattanooga REC will be reassigned to other postal positions in accordance with employee union collective bargaining agreements. The 391 part-time temporary employees will receive outplacement counseling to help them find new employment.

The remote encoding process involves transmitting electronic images of handwritten mail from mail processing plants to RECs where operators view them on computer screens and key in address information. This information is transmitted back to the postal processing plant where a barcode corresponding to the address is printed on the envelope so that it can be processed on automated equipment. With ever-increasing improvements in optical character recognition technology, the volume of images sent to RECs has diminished significantly and the Postal Service has gradually consolidated them. As technology evolves, the Postal Service will continue to look for opportunities to reduce operating costs and these opportunities will likely include additional REC consolidations in coming years.