

Mr. BELEN. Category 8 is logistical postal support. The Deputy Chief of the Bureau, Mr. Amos Coffman, is here.

Mr. BROOKS. Mr. Coffman.

Mr. COFFMAN. This category can be broadly divided into two areas. The first area involves the day-to-day support of the Post Office Department expenses such as space and services, rent, utilities, fuel, communications, and operating supplies. These are the things needed to keep the buildings and the postal system operating on a day-to-day basis.

In addition to operating expenses is the maintenance effort. This includes maintenance of buildings, maintenance of machinery, and maintenance of vehicles.

One broad category of postal logistical support is therefore operating expenses and maintenance effort expended.

The second broad category is investment support. This is long-term investments in buildings, vehicles, mail handling machines, and in automatic data processing.

The President, in swearing in our new Postmaster General, mentioned the Department's modernization program as being a vital one as well as being one that is expensive. It is expensive. The Department expects to spend on the modernization program about \$2.1 billion in the fiscal years 1968 to 1972.

This expenditure, however, will have a return. The modernization program consists of four primary areas. One is new buildings. The second is for machines to support mail handling operations. The third is vehicles to motorize our carriers instead of having them walk. The fourth is the investment in automatic data processing equipment. Those are the four areas that are involved heavily in the Department's modernization program about which the President spoke.

Now, Mr. Chairman, you mentioned the fact that in investments of this kind you must be sure you are going to get your money back, many times over perhaps.

Mr. BROOKS. We like as much return as possible.

Mr. COFFMAN. Yes, sir; let's examine the buildings that we propose to build with funds obtained in fiscal year 1969. If Congress is willing to give us the funds that we need, the new buildings to be funded that year would require a total investment of \$369 million but will save a total of \$876 million over the expected life of the buildings. That is a good return.

Mr. BROOKS. As opposed to leasing them, is that correct?

Mr. COFFMAN. Yes, sir; the material I have shows that if we leased the buildings our savings would be less. We would like to put these charts in the record if agreeable with this committee.

Mr. BROOKS. We would be delighted to have them in the record. I think this is a proven fact, and if we just keep proving it, maybe one day we will convince the people we can build and own them cheaper than we can lease them forever.

(The charts and explanation thereof follow:)

CHARTS ON THE LOGISTICAL POSTAL SUPPORT CATEGORY

This facet of the postal service includes four appropriations, two of which are expenses for everyday operations, and two referred to as investment appropriations. The expenses of the Postal Service are in the building occupancy and supplies and services appropriations and are for such things as rent, fuel, utili-