

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

EVOLUTIONARY NETWORK DEVELOPMENT
SERVICE CHANGES, 2006

Docket No. N2006-1

MOTION OF THE UNITED STATES POSTAL SERVICE
FOR LATE ACCEPTANCE OF THE FILING OF ITS RESPONSES TO
AMERICAN POSTAL WORKERS UNION INTERROGATORIES
(APWU/USPS-1 THROUGH 5)
(June 5, 2006)

The United States Postal Service hereby moves for late acceptance of the filing of its responses to the following interrogatories of the American Postal Workers Union, filed on April 21, 2006: APWU/USPS-1 through 5. Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux
Chief Counsel, Ratemaking

Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2998; Fax -5402
michael.t.tidwell@usps.gov

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF THE AMERICAN POSTAL WORKERS UNION**

APWU/USPS-1 Referring to Mr. Vogel's "Template" Power Point presented in response to institutional interrogatory OCA/USPS-20, on page 12 of that presentation Mr. Vogel outlines the "Processing Network Vision," the first bullet point of that vision states: "Optimized mailing industry workshare/outsourcing opportunities"

- a) Please describe what optimized workshare/outsourcing opportunities means.
- b) Is this the primary goal of network reorganization?
- c) Is the definition of what is "optimal" for the processing and distribution network that is mentioned as point 2 on page 12 of that presentation determined by that goal?
- d) If so, what parameters are used in the END process to test for that?

RESPONSE

(a-c) "Outsourcing" is common synonym for "worksharing." In some circles, both terms receive a pleasant reception; in other circles, neither term does. The primary goal of network redesign is to optimize internal postal costs by increasing efficiency and reducing redundancy. The network that emerges from Evolutionary Network Development is one that also is expected to be more flexible and accommodating to potential future changes in internal operations and mailer worksharing. However, such undefined and presently unknown future changes do not define what is optimal.

(d) N/A

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF THE AMERICAN POSTAL WORKERS UNION**

APWU/USPS-2 Your responses to POIR 1 Question 3(b) and 3(c) seem to indicate that the goal of END is to realign and consolidate the network and to eliminate excess processing capacity and that goal is paramount regardless of the impact on service. Is that a correct understanding of your responses?

RESPONSE

No. As the response indicates, while the primary goal is to re-align our networks creating a more optimal network allowing us the operational flexibility to minimize cost and improve the consistency of service, certain local changes to service standards may be a consequence of this network change. As the response to 3(b) states, service standard changes are not a goal of the model, but could be a consequence of AMP consolidations. During the AMP process, consideration of whether to implement a consolidation proposal takes place. The impact of a proposal on service is considered as part of that process.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF THE AMERICAN POSTAL WORKERS UNION**

APWU/USPS-3 In response to POIR 1 Question 2(b)(iii), you indicate that critical entry times are an output from the operating plan and a number of other factors. Does this mean that the model indicates or suggests that critical entry times need to be adjusted to make the operating plan submitted work? If so, please explain how the model accomplishes this.

RESPONSE

No. The model uses clearance times and critical entry times as a constraint to the feasibility of a given network solution.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF THE AMERICAN POSTAL WORKERS UNION**

APWU/USPS-4 In response to POIR 1 Question 3(d) and 3(e) you make reference to Dispatch of Value times and their relationship to Critical Entry Times and Clearance Times. Can you please provide a definition of those three concepts and explain how one impacts or determines the others?

RESPONSE

The terms are defined in USPS Library Reference N2006-1/1.

Assume the existence of mail that must be transported from Plant A to Plant B for processing and then returned back to Plant A for delivery. The mail must enter Plant B for processing, and then clear Plant B by a certain time in order to be transported to Plant A for delivery. The mail must be dispatched from Plant A to Plant B and then dispatched back to Plant A at times that permit such processing and delivery to be accomplished in a timely manner. Operating plans for each Plant are coordinated in order to determine the Critical Entry Times, Clearance Times, and Dispatches of Value for relevant operations that are necessary to meet overall processing and delivery objectives.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF THE AMERICAN POSTAL WORKERS UNION**

APWU/USPS-5 For the AMPs that are listed in N2006-1/5 that have already been implemented, please provide a detailed listing of any changes that have taken place to Critical Entry Times, Clearance Times and Dispatch of Value times related to those implementations.

RESPONSE

We do not document or track changes to a facility operating plan, if any, as a part of the AMP process.