

UNITED STATES OF AMERICA  
POSTAL RATE COMMISSION  
WASHINGTON, DC 20268-0001

Evolutionary Network Development  
Service Changes

Docket No. N2006-1

PRESIDING OFFICER'S INFORMATION REQUEST NO. 8

(August 30, 2006)

The United States Postal Service is requested to provide the information described below to assist in developing a record for consideration of the Postal Service's request for an advisory opinion. In order to facilitate inclusion of the required material in the evidentiary record, the Postal Service is to have a witness attest to the accuracy of the answers and be prepared to explain to the extent necessary the basis for the answers at our hearing. Responses are to be provided by September 8, 2006.

1. Refer to USPS Library Reference N2006-1/5. According to the Marysville AMP Assumption List found on page 168, the estimate of the gaining facility's additional staffing needs is based on the following formula:  $AMP \text{ Volume} \div BPI = \text{Workhours}$ .
  - a. Confirm that "AMP Volume" is the volume expected to move from the losing facility to the gaining facility after the consolidation.
  - b. Confirm that under the Breakthrough Productivity Initiative (BPI) program earned workhours for a given operation in a given facility are calculated by dividing workload (TPH) by the average productivity for the top 25% of facilities in the same size group as the given facility. If you cannot confirm, please explain how earned workhours are calculated.
  - c. Is the "BPI" referred to in the Assumption List the average productivity for the top 25% of facilities in the same size group as Sacramento? If not, what is "BPI" referring to?

- d. Are workhours after consolidation for gaining facilities for all other AMP studies estimated using the formula given in the Marysville Assumption List? If not how are they estimated?
- e. Are workhours after consolidation for losing facilities for all other AMP studies estimated using the formula given in the Marysville Assumption List? If not how are they estimated?
- f. What percentage of all facilities achieved or exceeded (i.e. had fewer workhours) their earned workhour goals in FY 2005 and FY 2006?
- g. What management incentives does the Postal Service offer to ensure that facilities reach or exceed their earned workhour goals?
- h. In the past, what impact has missing the earned workhour goal had on a facility's ability to meet its critical dispatch times, subsequent facilities' critical entry times, and overall service standards?
  - i. If the answer is none, please explain why there has been no impact.
  - ii. In the future, what impact would missing the earned workhour goal have on a facility's ability to meet its critical dispatch times, subsequent facilities' critical entry times, and overall service standards?
- i. When was the BPI program initiated?
- j. Is actual productivity under the BPI calculated by dividing MODS TPH by MODS hours?
  - i. If not, how is it calculated?
  - ii. Can these productivities be calculated from the data provided in R2006-1, Library Reference USPS-L-56?
    - 1. If so, for each operation provide the criteria that determines the size classification (i.e., small, medium, large).

2. If not, provide actual mail processing productivities by operation, as calculated in the BPI program, for all BPI facilities for all fiscal years since the inception of the program.
  
2. Refer to USPS Library Reference N2006-1/17, page 5, and USPS Response to POIR No. 6, question 1. POIR No. 6, question 1 asked the Postal Service to provide the classification criteria, average TPH per hour, variability factor, and marginal cost for small, medium, and large classifications for all operations listed on page 5 of LR N2006-1/17. The Postal Service provided the requested information for 11 of the 19 operations. Please provide the requested information for the remaining 8 operations (MPBCS, APPS, PSM, NMO, Platform, Open Unit Pref, Open Unit Bulk, and Pouching.) Because these operations were not modeled by witness Bozzo in R2005-1, provide the models and datasets used to calculate the requested information.

Dawn A. Tisdale  
Presiding Officer