

Before the
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

Evolutionary Network Development)
Service Changes, 2006)

Docket No. N2006-1

OFFICE OF THE CONSUMER ADVOCATE
INTERROGATORIES TO UNITED STATES POSTAL SERVICE
(OCA/USPS-27-33)
April 25, 2006

Pursuant to Rules 25 through 28 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA interrogatories OCA/USPS-1-5, dated March 3, 2006, are hereby incorporated by reference.

Respectfully submitted,

April E. Boston
Officer of the Commission

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OCA/USPS-27. Please refer to your response to OCA/USPS-18 part b. The response states that after the initial study for an area consolidation, Area Offices or Headquarters are expected to be notified of “material and pertinent customer concerns expressed at the local level.”

- a. Please confirm that to date, the USPS does not have a formal written procedure or a formal mechanism whereby local offices collect and document consumer concerns regarding local consolidations. If you are unable to confirm, please provide copies of all such documentation for each of the ten consolidations listed in USPS-LR-N2006-1/6.
- b. The following refers to part a of this interrogatory. Please confirm that to date, the USPS does not have a formal written procedure or a formal mechanism for reporting consumer concerns to Area Offices and/or Headquarters. If you are unable to confirm, please provide copies of the formal reports forwarded to the Area Offices and/or Headquarters for each of the ten consolidations reported in USPS-LR-N2006-1/5.
- c. If part a of this interrogatory is affirmed, please explain whether and when the USPS expects to implement a formal mechanism, at the local level, that collects and reports consumer concerns regarding proposed consolidations. Please include in your response sample copies of the forms to be used by local offices to collect and report local issues.
- d. Please identify the timeframe followed by the USPS to respond to local customer concerns and/or issues. If no timeframe has been formalized in

responding to local consumer issues regarding a consolidation, please explain why not.

- e. Please explain whether the Postal Service meant by the term “pertinent,” with respect to local customer concerns, to limit the concerns to specific subjects or areas. If so, please explain those subjects or areas of concern.

OCA/USPS-28. In 2006 and beyond, will the Postal Service add to its Comprehensive Statement on Postal Operations information detailing the progress of the Evolutionary Network Development (END)?

- a. If your response is affirmative, will the following information be made available: (1) the facilities that were consolidated during the reported year; (2) the overall to date annual cost savings or losses resulting from the END project for the reporting period; (3) the current total projected savings or losses over the entire END project; (4) the to date nationwide service impact of the consolidation; and (5) communities that will be studied for possible consolidation in the subsequent reporting year.
- b. If your response is that the information will not be reported in the USPS Comprehensive Statements, please explain where the financial impact of the END project will be reported?
- c. If your response to part a and b of this interrogatory indicates that separate reporting of the END project will not be publicly available, please

explain how the Postal Service will indicate the financial and service-wide impact of the consolidations to the public.

OCA/USPS-29. The Sioux City Journal, online edition, dated April 20, 2006, attached to this interrogatory, reported that a town hall meeting on Thursday in Sioux City was held to release an Area Mail Processing study conducted on the Sioux City Mail Processing and Distribution Center. The Sioux City Journal also reported that the Postal Service would start the meeting with a presentation, then have a question-and-answer period.

- a. Please provide a copy of the town hall meeting presentation.
- b. Was the Sioux City town hall meeting a result of an unusual situation?
 - (i) If your response is affirmative, please explain why the meeting was held.
 - (ii) If your response is other than affirmative, is the Sioux City town hall meeting similar to future town hall meetings that will become part of the consolidation process to educate consumers about their possible plant consolidation?
- c. If your response to part b of this interrogatory is affirmative, please identify examples of the topics the Postal Service addressed in its town hall presentation.
- d. For those facilities identified in USPS-LR-N2006-1/5, does the Postal Service plan to hold local town hall meetings to explain to postal patrons the results of the local study? If your response is other than affirmative, please fully explain.



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Thursday, April 20, 2006

Sioux City, Iowa

WEB EDITION

Postal official says changes won't affect service

By [Christian Richardson](#) Journal staff writer



Doug Morrow, Hawkeye District manager for the USPS in Des Moines, said an Area Mail Processing study shows consolidation of processing centers. (Staff photo by [Tim Hynds](#))

A U.S. Postal Service official said area residents won't see delivery delays if a proposal to consolidate Sioux City's mail processing center with Sioux Falls facility is approved.

Doug Morrow, Hawkeye District manager for the USPS in Des Moines, said an Area Mail Processing study conducted on the Sioux City Mail Processing and Distribution Center examined if consolidation would aid delivery -- and the study showed that it would.

"We are all about service and we wouldn't do anything that would hurt that service," Morrow said.

Morrow is in Sioux City today for a two-hour town hall meeting set to begin at 10 a.m. at the Sioux City Convention Center, 801 Fourth Street. The public is invited to attend.

The crowd will learn the reason for the feasibility study that examined the distribution center, hear a presentation on the proposed scenario of the study and have a chance to ask questions.

Representatives of the U.S. Postal Service, including Morrow, Clem Felchle -- district manager for South Dakota, North Dakota and Northwest Minnesota -- and Brad Schetzle, senior manager of post office operations in the Hawkeye District, will attend.

Members of the offices of U.S. Sens. Charles Grassley, Tom Harkin and U.S. Rep. Steve King, as well as Sioux City government officials and members of the Siouxland Chamber of Commerce, have been invited.

Town hall patrons will be able to view a one-page AMP study summary. Copies of the complete study were given to Harkin, Grassley and King; however, the full report will not be made public, Morrow said.

Staff members of Northwest Iowa's congressional delegation were briefed Monday on the process and the results of the U.S. Postal Service study.

The proposed plan would take outgoing mail to Sioux Falls for distribution and air transportation, Morrow said. Only a small percentage will have to return to Sioux City for delivery, he said.

Currently outgoing mail is transported from Sioux City, sent to Omaha where it is loaded on ground and air transportation, and eventually delivered to its final destination, Morrow said.

Incoming mail will still be brought to Sioux City and processed here, he said.

For advocates of the Sioux City distribution center the town hall meeting has been a work in progress that began when local postal union members began holding informational protests in December.

Morrow said the town hall meeting is due to residents and congressional delegates wanting to be heard as well as the union's spreading misinformation about alleged changes to delivery, the postmark and collection times.

In the past AMP studies have been approved before the USPS meets with residents, Morrow said. This meeting will provide a chance to clear the erroneous information and let people know their services won't suffer, he said.

"Hopefully any of their concerns will be put to rest as far as any service issues," he said.

A one-page study summary obtained by the Journal shows a proposal to shift 366,941 pieces of First-Class mail to Sioux Falls for processing, with 17,710 pieces of mail receiving an upgrade from 2-day to overnight delivery, and 47 career USPS employees being reassigned to other positions.

There will be no changes to local collection times and the local postmark will be available for stamped First-Class mail, the summary states.

Top USPS officials in Washington, D.C., would have to approve the plans before the changes would take place, Morrow said. Before that would take place, all concerns brought forward today must be addressed, he said.

The feasibility study is part of a national effort to look at how the postal service can address the shifting mail volume and improve efficiency. The studies have taken place as mailing habits have changed with the use of the Internet and express delivery companies, Morrow said.

"All of those changes impact our work load," he said.

The USPS is conducting AMP studies on 50 of its 450 facilities through a process similar to the one that took centers in Sheldon, Iowa, and Spencer, Iowa, and consolidated them in 1992 in Sioux City.

Jim Price, president of the American Postal Workers Union Local 186 has expressed skepticism over the feasibility study on the Sioux City distribution center. Price contends that currently mail is next-day in Sioux City but would not be if it is sent to Sioux Falls.

The union has previously stated a consolidation to Sioux Falls would result in the loss of Sioux City's postmark, delayed delivery, earlier collection times and loss of jobs that would impact the local economy.

OCA/USPS-30. The following question and answer is posted on the USPS internet site under the USPS Frequently Asked Questions (FAQs) for “Late/Delayed Mail.”

Question: “At what time of day is my mail delivery considered late?”

Answer: “We have no set delivery times, because the volume of mail volume fluctuates daily delivery times are not guaranteed. All deliveries should be made by 5 p.m. (unless there are unusual circumstances). We do not have the ability to find out when a mailperson will arrive at a specific location.”¹ Has the END process resulted in later than normal mail deliveries to consumer homes after 5 p.m.? If your response to this interrogatory is affirmative, please identify the steps that are being taken to rectify the problem.

OCA/USPS-31. Recent press reports attached to this interrogatory suggest that carriers are delivering mail later than 5 p.m. and are “frightening people and riling dogs.” (Palisadian-Post, March 2, 2006, “Inside L.A.’s Mail Processing Center” by Alyson Sena; and, The Los Angeles Times, latimes.com, January 28, 2006, “Deeper Investigation Sought Into Late Mail,” by Martha Groves.) Yet, the USPS FAQ indicates that normal mail deliveries will be completed by 5 p.m. (See interrogatory OCA/USPS-30.)

a. Is the USPS ensuring that its policy of attempting to make all deliveries by 5 p.m. is included as a factor in the USPS decision rules for determining whether

¹ From the USPS website the question and answer may be found at: https://hdusps.esecurecare.net/cgi-bin/hdusps.cfg/php/enduser/std_adp.php?p_faqid=4195&p_created=1072118118&p_sid=KQkjMB5i&p_accessibility=0&p_lva=&p_sp=cF9zcmNoPSZwX3NvcnRfYnk9JnBfZ3JpZHNvcnQ9JnBfcm93X2NudD05Mj

or not to consolidate a facility? If your response is other than affirmative, please explain.

b. Given that late deliveries impact the safety of consumers and carriers, is the USPS informing the public of the potential late deliveries prior to a consolidation?

(i) If your response is other than affirmative, please explain.

(ii) If your response is affirmative, please identify the method used to inform the public and identify the impact that public feedback on late deliveries has on a potential decision to consolidate a facility.

c. Is there a toll-free number for consumers to use to voice complaints or request further information regarding service related issues resulting from a particular consolidation? If your response is other than affirmative, please explain.

d. If your response to part c of this interrogatory is affirmative, please provide the toll-free number and explain the method used by the USPS to insure that consumers are made aware of the phone number's existence.



Inside L.A.'s Mail Processing Center

March 02, 2006

Alyson Sena , Reporter

Since last summer, Palisades residents have been contacting the Palisadian-Post with their postal service concerns. The most common complaint has been late mail delivery' mail that was delivered hours, days and, in some cases, months late.

In mid-January, I visited the local La Cruz station, and new Manager in Charge Jason Miles said service would improve after he dealt with some internal problems and gave employees the direction and support they needed.

He also said that the closure and consolidation of the Marina Processing and Distribution Center into the Los Angeles Processing and Distribution Center last July did not contribute to the Palisades' decline-in-service issue. Departure times for trucks leaving the plant in South L.A. for the Palisades were adjusted and the automated machines that sort the mail "are very reliable," he said.

Last Thursday, the Postal Service conducted a media tour of the plant, which is located about seven miles south of downtown. The L.A. center occupies 74 acres. With 1.1 million square feet under its roof, the facility is the largest of its kind, on one level, in the nation. It processes about 23 million pieces of mail daily.

Given the latter statistic, it felt oddly empty and quiet on the workroom floor as we strolled through the First Class card- and letter-sorting area at 11 a.m. The equipment that usually sorts letters at speeds of up to 36,000 pieces per hour was turned off, and we were told that the few employees working on the machines were doing "preventive maintenance."

"Where is everyone?" I asked, having been told that 4,400 employees work at the plant on a 24-hour rotation. Most are not on the usual 9 a.m. to 5 p.m. schedule, said Delores Killete, consumer advocate and vice president of consumer affairs. They begin arriving at about 3 p.m., and the majority of mail starts coming in at about 6 p.m.

"We're close to the efficient number [of employees]," Killete said, though she emphasized that staffing shortages are not a problem because they have a "supplemental" work force of about 630 temporary employees.

The Postal Service hired some temporary help when the Marina center was closed, and 380 employees from that plant'300 clerks and 80 mail handlers'transferred to the L.A. center. Clerks work hands-on with the mail, sorting and distributing, while mail handlers load and unload trucks and drive industrial vehicles.

In the plant, First Class card and letter mail is processed in a separate area from the standard, flat mail, which includes large envelopes, catalogs, magazines and newspapers. Our tour did not cover the flat-mail processing area.

Mail handlers transfer incoming mail from trucks to the opening unit (OU), also known as the mail preparation unit. Here, machines that look like fork lifts take over, hoisting individual hampers of mail and dumping the contents onto a conveyer belt that carries the mail "downstream," or towards the front, northern end of the building.

The mail heads to an Advanced Facer/Cancelled machine, which turns all of the letters stamp-side up, and places a postmark on each piece. The letters are automatically sorted into one of seven bins, and non-barcode mail must go through an Optical Character Reader, which reads the address and "sprays"

on a barcode.

A Delivery Bar Code Sorter then sorts the mail by destination into "walk sequence," or carrier routes, so that clerks at the local stations spend less time manually sorting the mail. The L.A. plant has 84 DBCS machines; the first ones were installed about 10 years ago.

These automated machines sort up to 36,000 pieces of mail an hour and require only three employees to run them. Spokesman Larry Dozier compared this to earlier mechanized letter-sorting machines, which were run by 12 to 18 employees and sorted only 2,000 letters per hour.

While some mail is processed mechanically at the plant, only a tiny percentage is processed manually—the pieces that are too thick to go through or that could not be read by the machines.

Sorted mail is placed in individual trays on a Low Cost Tray Sorter for final dispatch, which means it heads to the loading dock for departure. There are 142 dock doors, 100 of them outbound, each with a destination name written above it.

Trucks that deliver the mail to local stations are scheduled to leave the plant at 4:30 a.m., 6:30 a.m. and 8:30 a.m., but Dozier said the latter dispatch time has been readjusted to 7:30 so that trucks arrive earlier.

Asked why mail destined for the Palisades would be delayed in arriving at the local post office, Kilette said it might have to do with the scheduling, or reporting times for plant employees. Some of those times have had to be readjusted as well.

"Now we're in a position we can manage, with supplemental help, to be able to deal with the volume," Kilette said.

Many of the temporary employees were hired to help handle increased mail volume in recent months. While the volume of First Class mail has decreased, the Postal Service has seen an increase in advertising mail, especially in more affluent areas of the city.

Dozier said that mail volume usually drops during the summer, but did not in 2005. There was a temporary increase in volume during the winter holiday season and again immediately preceding the recent change in postal rates.

Postal officials attribute later mail delivery in the city to this high volume. They also point to possible problems with delivery routes, which are currently being evaluated and adjusted.

Officials are also in the process of hiring 65 additional full-time mail carriers for the entire L.A. district, which is 540 square miles, but would not say specifically where those employees will be distributed.

"Twenty have been hired," Dozier said. "Another 15 are near the end of the process [testing and background checks] and within two weeks we expect to complete work for another 20."

The Postal Service maintains that the Marina consolidation is unrelated to service problems that Palisades residents have been and still are experiencing. However, officials acknowledge internal kinks—both at the L.A. plant and here at the La Cruz station—that are affecting local mail delivery as they are being ironed out.



<http://www.latimes.com/news/local/la-me-mail28jan28,1,1227848.story?ctrack=1&cset=true>

From the Los Angeles Times

Deeper Investigation Sought Into Late Mail

By Martha Groves
Times Staff Writer

January 28, 2006

With Southern California residents continuing to complain about mail that is delivered late at night or not at all, Rep. Henry A. Waxman (D-Los Angeles) wants the nation's postmaster general to provide extensive data about staffing levels, plant closures and delivery schedules.

The veteran legislator said that he wants to delve more deeply into delivery problems to prepare for a hearing about the U.S. Postal Service, to be held Feb. 16 by the House Committee on Government Reform, Congress' primary oversight panel.

Meanwhile, postal officials last week sent a memo to Southern California post offices, reiterating the agency's long-held goal of having most mail delivered by 6 p.m. at the latest. The memo comes amid gripes from residents who say their mail arrives as late as 10 p.m.

Waxman is expected to make more than a dozen requests Monday for information from John E. Potter, the postmaster general. Among other items, Waxman wants to know what percentage of mail in the Los Angeles area is delivered after 5 p.m. He also plans to ask for data on staffing levels over the last three years, copies of customer complaint logs and any analyses of cost savings related to plant closings. And he will request information about what effect plant closings have had on the transportation of mail in the region.

In recent weeks, scores of Southern California residents have reported problems with late or misdirected mail and personnel shortages in postal facilities. Constituents have complained to Waxman and to Rep. Diane Watson (D-Los Angeles) that carriers are making their rounds as late as 10:30 p.m., frightening people and riling dogs.

"We would like to better understand precisely why service standards in the area appear to have dropped," the draft letter says.

"In addition, we would like to examine whether similar patterns are occurring elsewhere in the United States."

A draft of Waxman's request, obtained Friday by The Times, notes that postal officials have acknowledged problems and pledged to take steps to remedy them. As reported earlier, those steps include earlier start times for carriers, the hiring of more personnel and improved mail processing.

Many Southern California carriers and customers have contended that last summer's closing of a Jefferson Boulevard processing facility on near Marina del Rey accounts for many of the delays.

Most of the mail previously handled at that distribution station is now trucked to the main Los Angeles center on South Central Avenue.

A carrier who spoke by phone but would not give his name said the problems stem from a shortage of personnel. "Like most managers across the country, they're trying to do more with less," he said.

Similar problems have surfaced in San Diego and Fresno.

In New Mexico, Sens. Jeff Bingaman, a Democrat, and Pete V. Domenici, a Republican, have taken up the issue after fielding complaints from residents of Las Cruces and Santa Fe. Maria Najera, a spokeswoman for Bingaman, said delivery problems appeared to be related to plant consolidations. The postmaster general acknowledged substandard delivery in New Mexico and vowed to address problems in management and operations and to hire more people, if necessary.

Gene A. Del Polito, president of PostCom, a lobbyist group that represents users of mail for advertising, marketing and fundraising, said the Postal Service has erred by not keeping customers better apprised of consolidation efforts. Often, he said, the Postal Service closes plants without communicating to patrons what will happen next.

"Unless you have calculated out all of the human elements associated with making big transitions, something's going to go wrong, and I think that's exactly what you're seeing," he said.

Larry Dozier, a Postal Service spokesman for the Los Angeles district, denied that the closing of the Jefferson Boulevard plant was to blame. Rather, he said, the issues relate to staffing levels and the growth in the number of addresses that carriers must serve. He added that the Postal Service is in the process of adjusting the size of many of its routes.

He said that independent measurements by IBM indicate that 95% of first-class mail in the Los Angeles area is delivered on time.

However, carriers say that they have been ordered to start their shifts later than in years past.

Many report that they cannot finish their deliveries before dark and are must work overtime to finish their rounds.

Some say they have been ordered back to the street to finish after dark, even after expressing concerns about their personal safety.

If you want other stories on this topic, search the Archives at latimes.com/archives.

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OCA/USPS-32. A USPS spokesman has indicated that the closing of the Marina processing facility did not contribute to the decline-in-service issues in California. (See the internet summary article attached to this interrogatory from the Daily Breeze – Torrance, CA, “The mail may get through, someday,” dated February 3, 2006 by Nick Green and Kristin S. Agostoni.) Please explain how the USPS was able to determine that the consolidation did not impact service.

The mail may get through, someday

Daily Breeze - Torrance, Calif.

Author: Nick Green and Kristin S. Agostoni DAILY BREEZE

Date: Feb 3, 2006

Start Page: A.1

Text Word Count: 1262

Abstract (Document Summary)

Moreover, since last week, local letter carriers have been ordered to finish delivery by 5 p.m. and return to the office within the hour, said Postal Service spokesman Larry Dozier.

Dozier repeatedly denied that chronically late and misdirected mail can be tied to the July closure of the Marina Processing and Distribution Center south of Marina del Rey. That shuffled roughly 850 employees to plants in South Los Angeles, Van Nuys and the Inland Empire.

Today, mail that used to be sorted at the Marina plant is processed in South Los Angeles. That center sifts roughly 6 million pieces of mail at a daily rate of 36,000 letters per hour, Dozier said, up from the nearly 5 million letters sorted daily before the Marina merger.

OCA/USPS-33. The following interrogatory refers to an article attached to this interrogatory that appeared in the April 20, 2006, DM News, entitled “Congress Criticizes USPS Consolidation.” The article is dated April 17, 2006 and states:

The agency [Postal Service] also is in the final stages of developing a communication process around the consolidations called the Public Input Process, Mr. McKiernan said.

‘In essence, we will go to the communities that might be affected [by the consolidation process], and we will do a presentation about why we are doing this, along with more details about the plan,’ he said. ‘We will also ask for public comment and have transcripts of what is said at the public meetings, and we [will refer to this information] as we make our decisions.’

- a. Please confirm that the information provided in the quote above is the essence of what Mr. McKiernan stated. If you are unable to confirm, please explain.
- b. Please provide copies of all documentation explaining the “Public Input Process” and how it will operate.
- c. What is the mechanism for obtaining public input via the the Public Input Process?
- d. Will the Public Input Process apply to all future consolidations or will it only be used in special circumstances?
- e. Please explain when the Public Input Process will be operational.

Congress Criticizes USPS Consolidation

April 17, 2006

By: Melissa Campanelli
Senior Editor
melissa@dmnews.com

Four members of Congress questioned the U.S. Postal Service's criteria and public outreach in carrying out a program that involves consolidating some mail processing operations throughout its network, according to a letter sent to the Government Accountability Office.

However, the USPS called the consolidation program vital and said that it is working to communicate the details to the public.

The March 27 letter to Comptroller General David M. Walker was signed by Sens. Susan Collins, R-ME, and Joe Lieberman, D-CT, as well as Reps. Tom Davis, R-VA, and Henry Waxman, D-CA. All four serve on committees that conduct oversight of the postal service.

The changes are part of the Evolutionary Network Development Program, which covers security, facilities, processing systems and transportation. The USPS plans to close some facilities and consolidate distribution operations.

The USPS announced plans in October to consolidate 10 plants in these areas: Bridgeport, CT; Monmouth, NJ; Pasadena, CA; Waterbury, CT; Kinston, NC; Greensburg, PA; Mojave, CA; Boston; Marysville, CA; and Olympia, WA.

"While we recognize the USPS may need to consolidate its facilities ... " the letter said, " ... we are not convinced that USPS is following the recommendations made" in the GAO's 2005 report on consolidation.

The letter noted that the "GAO report recommended that the [USPS] establish criteria, inform stakeholders as decisions are made, and evaluate and measure the outcomes of realigning these plants, including the costs and savings that result.

"Although GAO recommended that USPS increase its efforts to keep stakeholders informed," the letter continued, House and Senate members have told the four legislators that "they and the communities they represent have not been adequately informed about the postal service's plans, how the

postal service proposed to analyze plant performance and make realignment decisions, and what are the potential effects on these communities."

The lawmakers asked the GAO to follow up with another report that determines:

- What criteria the USPS is using to analyze these plants.
- How does it plan to communicate these criteria to affected parties?
- How does the postal service's communications strategy target the appropriate parties, and does it provide sufficient information throughout the process?
- How does the USPS plan to measure the effects of realignment including costs incurred and savings realized?

William Burrus, president of the American Postal Workers Union, praised the legislators' letter.

"The USPS has heard only one voice in preparing its consolidation plan: the voice of major corporate mailers," he said. "It is imperative that citizens and their representatives be provided with information as well as the opportunity to provide input when consolidation plans are made."

Consolidation began last August, the USPS said, "and it really is a reaction to the continuing unfortunate decline in First-Class single-piece stamped mail," USPS spokesman Gerry McKiernan said. "Since 1998 we've seen a drop of 11 billion pieces."

The agency has set public meetings in Sioux City, IA, and Rockford, IL, two cities where public officials and residents have expressed concern about proposed consolidations, he said.

The agency also is in the final stages of developing a communication process around the consolidations called the Public Input Process, Mr. McKiernan said.

"In essence, we will go to the communities that might be affected [by the consolidation process], and we will do a presentation about why we are doing this, along with more details about the plan," he said. "We will also ask for public comment and have transcripts of what is said at the public meetings, and we [will refer to this information] as we make our decisions."