

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

EVOLUTIONARY NETWORK DEVELOPMENT
SERVICE CHANGES, 2006

Docket No. N2006-1

REVISED RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE
REDIRECTED FROM WITNESS SHAH (OCA/USPS-T1-11)
(July 17, 2006) [ERRATA]

The United States Postal Service hereby submits its revised response to the following interrogatory of the Office of the Consumer Advocate: OCA/USPS-T1-11. The original response was filed on April 10, 2006. The revised response to OCA/USPS-T1-11 supersedes the original response. The second page of the revised response reflects information subsequently disclosed in the Docket No. R2006-1 response to interrogatory PSA/USPS-T42-1, as well as other interrogatories in the instant docket.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
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Revised: July 17, 2006

OCA/USPS-T1-11

Has the Postal Service performed an END or AMP analysis of part or all of the facilities and network in Figure 2?

- a. Assuming that your answer is "yes," please provide the analyses and conclusions. Please identify and quantify cost savings and service changes.
- b. Assuming that your answer is that the analysis is currently ongoing, please provide information on the extent of the study, details of the study, and expected findings and conclusions.
- c. Assuming that your answer is "no," please explain why no study is being conducted and the extent to which you believe that such a study would or would not be applicable to enhance efficiency in the Postal network.

RESPONSE:

(a-c)

The Postal Service is using the END model and the AMP process to assist in determining the potential roles of existing facilities in the future mail processing network. END modeling suggests possible outcomes that can then be considered and analyzed through mechanisms like the AMP review process. It is this review process that leads to decisions about whether many current mail processing facilities, such as those depicted in Figure 2, should be retained as part of the future network and what their functions should be. Like any other mail processing plants in the network, the facilities depicted in Figure 2 are candidates for AMP review as a part of the END initiative. Presumably, their time will come. It would be imprudent to try to predict or guess what the results of those studies could be.

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RESPONSE to OCA/USPS-T1-11 (continued)

Based on modeling alone, one would expect that the future mail processing network could evolve to a state where there would eventually be approximately 70 of the Regional Distribution Centers depicted in Figure 3 located throughout the continental U.S., each of which is connected to a variety of subordinate or related facilities. Further review is necessary before the Postal Service can be certain of all potential RDC locations or what roles will be played by the facilities depicted in Figure 2. See the Docket No. R2006-1 USPS response to PSA/USPS-T42-1. As described by witness Williams (USPS-T-2), numerous facility-specific AMP feasibility studies will be conducted during the next several years to determine their roles and relationships. Some mail processing functions are expected to shift to different locations in many cases.