

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

STATION AND BRANCH OPTIMIZATION AND  
CONSOLIDATION INITIATIVE, 2009

Docket No. N2009-1

REVISED RESPONSE OF  
UNITED STATES POSTAL SERVICE WITNESS VANGORDER  
TO PUBLIC REPRESENTATIVE INTERROGATORY PR/USPS-T1-11  
(August 31 2009) [ERRATA]

The United States Postal Service hereby provides the revised response of witness VanGorder to the following interrogatory of the Public Representative: PR/USPS-T1-11. The original answer was filed on July 17, 2009. The revised response supersedes that answer. The interrogatory is stated verbatim and followed by the revised response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS VANGORDER  
TO PUBLIC REPRESENTATIVE INTERROGATORY**

**Revised August 31, 2009**

**PR/USPS-T1-11**

Please refer to your response to PR/USPS-T1-9(a) where you state that “the opening and closing hours for individual stations and branches are matters that have not been considered in connection with the Initiative.”

a. Please confirm that adjusting hours would reduce operating costs of a branch or station. If confirmed, please explain why adjustment of operating hours is not part of the Initiative.

b. Please confirm that the Initiative is set up such that there are only two options: (a) a facility is either closed, or (b) a facility remains open. If you do not confirm, please explain.

c. In formulating the Initiative, did the Postal Service consider alternatives to closure or consolidation such as a reduction in operating hours, reduction in the number of days of operation, or other cost savings measures at stations or branches? If so, please explain why such cost savings are not part of the Initiative.

**RESPONSE**

(a-c) I am not a costing witness. However it seems that the answer to this question would depend on the direction of the adjustment, upward or downward. The purpose of the Initiative is to pursue opportunities to discontinue or consolidate station/branch operations, not to simply adjust operating hours or operating days upward or downward. Accordingly, the focus is on discontinuance and consolidation. In conjunction with the separate program for the consolidation of carrier operations, the discontinuance study process could lead to facilities being either closed or consolidated. If a consolidation occurs, there will be cases where either only the “front of the house” retail operation or the “back of the house” carrier operation remains at a given location. It is the case that, at the end of the Initiative, the facilities originally within its scope will be operating to provide either retail window service, or they will house carrier (or other

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**RESPONSE to PR/USPS-T1-11 (continued)**

postal) operations, or they will be closed. The optimization of the postal retail network through closure or consolidation of stations and branches that have been targeted for purposes of this Initiative was not an objective selected after a comparison of alternative retail cost savings goals – such as reductions in retail window service hours or days. It is the logical complement to the ongoing consolidation of carrier operations at many locations, the result of which being that the bulk of the floor space at some stations and branches will be vacated and unoccupied. It makes sense to re-examine the retail network at this time since its operations are co-located with carrier operations in so many locations. If the Postal Service only consolidated carrier operations and – as proposed by this question – sought to save retail costs by reducing hours or days of operation, the Postal Service would still be burdened by the expense of owning or leasing numerous sub-optimally occupied buildings, and it would have failed to examine whether decisions made decades ago to establish retail in certain locations were consistent with current postal customer retail access and alternate access trends.