

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

STATION AND BRANCH OPTIMIZATION AND  
CONSOLIDATION INITIATIVE, 2009

Docket No. N2009-1

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS VANGORDER  
TO VALPAK INTERROGATORIES  
VP/USPS-T1-11 THROUGH T1-18 AND T1-20 THROUGH T1-24  
(September 25, 2009)

The United States Postal Service hereby provides the responses of witness VanGorder to the following interrogatories of Valpak, filed on September 11, 2009: VP/USPS-T1-11 through 18 and 20 through 24. Each interrogatory is stated verbatim and followed by the response. A response to VP/USPS-T1-19 is forthcoming.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS VANGORDER  
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**VP/USPS-T1-11.**

Please refer to your response to VP/USPS-T1-8.c.

- a. Approximately what percent of all postage meters still are set, or reset, at Post Offices?
- b. Does the Postal Service envision a time when postage meters no longer will be set and reset at Post Offices? If so, approximately when is that expected to occur?
- c. Please confirm that passports, once issued, are valid for 10 years.
- d. Is it reasonable to assume that bulk and permit mail acceptance involves retail postal functions only for business firms and nonprofit organizations, and not for individuals?

**RESPONSE**

- a. Zero.
- b. Yes. That time is now. Postage meters are no longer set and reset at Post Offices.
- c. Please consult the U.S. State Department regarding the term and conditions of U.S. passports.
- d. Yes.

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**VP/USPS-T1-12.**

Please refer to the response to VP/USPS-T1-10. In that response, data from 2002 indicate that the cost of selling stamps via windows at Postal Service retail facilities was approximately six times greater than the cost of selling stamps via the consignment program.

- a. Please describe any development of which you are aware that would have changed significantly this ratio since 2002.
- b. Please describe all Postal Service advertising designed to inform the public that stamps can be purchased at face value from consignment outlets, including media used and percent of total advertising effort.

**RESPONSE**

- a. I am told the Postal Service has no basis for stating whether the ratio has or has not changed.
- b. I am told there is no corporate advertising budget or corporate advertising for the consignment program. Information concerning specific participating consignment locations is available through the usps.com, Services Locator, Alternate Locations to Buy Stamps. Retail Marketing makes available specific marketing support material to inform customers and provide product awareness. The Stamps on Consignment support material budget for FY 2010 is \$600,000.00.

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**VP/USPS-T1-13.**

- a. For each of the stations and branches listed in USPS Library Reference N2009-1/4 as revised, please indicate whether the retail counters are open at least eight hours a day, Monday through Friday, and at least three hours on Saturday.
- b. Unless your answer to preceding part a is an unqualified affirmative, please indicate
  - (i) the number of stations and branches that have reduced the number of days when their retail counters are open, and (ii) for those that have reduced the number of days, indicate the number of days that their retail counters are actually open.
- c. Unless your answer to preceding part a is an unqualified affirmative, please indicate
  - (i) the number of stations and branches that have reduced the number of hours when their retail counters are open, and
  - (ii) for those that have reduced the number of hours, indicate the number of hours that their retail counters are actually open.

**RESPONSE**

- a-c. Please see Presiding Officer's Ruling N2009-1/7.

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**VP/USPS-T1-14.**

For the stations and branches now scheduled to be studied for possible closure under the current Initiative, *i.e.*, listed in the latest version of USPS Library Reference N2009-1/4:

- a. How many have retail operations only, *i.e.*, have no carriers operating from them?
- b. How many have both retail and carrier operations, *i.e.*, front-office and back office operations?
- c. Of those stations and branches identified in response to preceding part b that have both retail and carrier operations, (i) how many have city carrier routes operating from them, and (ii) how many have rural carrier routes operating from them?

**RESPONSE**

- a. I am informed that 498 have no carriers operating from them.
- b. I am informed that 244 have both retail and carrier operations.
- c. (i) I am informed that, of the 244 having both retail and carrier operations, 192 have city carrier routes.  
  
(ii) Of the 244 having both retail and carrier operations, I am informed that 52 have both city and rural routes and none has solely rural routes.

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**VP/USPS-T1-15.**

The response to PR/USPS-16(e-f) states that “Rural carriers often operate as ‘mini-Post Offices on wheels,’ selling retail products and providing certain services that city carriers do not.”

- a. In what year did rural carriers start serving as “mini-Post Offices on wheels?”
- b. Please indicate how successful this “mini-Post Offices on wheels” program has been (in terms of actual usage) in taking retail postal services to customers who live on routes served by rural carriers identified in your response to preceding VP/USPS-T1-14(c)(ii) — *i.e.*, rural carriers operating from those stations or branches identified for possible closure or consolidation as part of the Initiative in this docket. In your response, please discuss whether those services provided by rural carriers’ “mini-Post Offices on wheels” are used chiefly for (i) sale of stamps and other products, or (ii) collection.
- c. Have the alternate access services from the “mini-Post Offices on wheels” provided by rural carriers reduced by any measurable degree visits to retail facilities at those delivery units served by rural carriers?
- d. Do you have any knowledge, whether formal or informal, concerning the nature of customers that take advantage of this alternate access service provided by rural carriers? If so, please describe it. For instance, is the alternate access service from rural carriers used principally by individuals with disabilities, or older citizens who have difficulty getting around, or people who live in areas more distant from the station or branch?
- e. Has this alternate access program of rural carriers taking retail postal services to customers been more successful (*i.e.*, used with greater frequency) by customers who live in suburban areas or by those who live in rural areas?

**RESPONSE**

- a. The Postal Service has no historical documents that provide a specific date establishing rural carriers serving as “mini-Post Offices on wheels.” The concept is believed to date back more than a century.
- b. The Postal Service does not have a measurement in place for this program.
- c. The Postal Service does not collect that that would permit a response to this question.
- d. No.
- e. There are no data available that would permit a response to this question.

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**VP/USPS-T1-16.**

Please refer to your response to VP/USPS-T1-4.d. Since visits to, and purchases from, a mobile retail van are considered to be visits neither to a Postal Service retail facility nor to an alternate access channel, what are they considered?

**RESPONSE**

Revenue defines our channel selection. Mobile van revenue is entered at the end of the day into the parent unit Point Of Service (POS) devices. Therefore, the revenue is considered walk-in revenue for the unit and not a form of alternate access. As a description of the van's functionality, it would be a touch point for customers; an extension of our brick and mortar offering customer's convenience.

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**VP/USPS-T1-17.**

- a. Please refer to your responses to VP/USPS-T1-2.b. and VP/USPS-T1-7.b. The first of these two responses indicates that the total number of mobile retail vans currently operated by the Postal Service is 179, whereas the second response indicates that in 2009 YTD the Postal Service has 204 mobile retail vans. Please reconcile these two answers.
- b. Your response to VP/USPS-T1-2.c. indicates that some mobile retail vans "have designated routes." (i) How many different locations would a mobile retail van typically serve each day on a designated route? (ii) Would the designated route serve the same locations each day, or would the locations served vary from one day to the next? If locations vary from day to day, how many different locations would a mobile retail van typically serve each week? (iii) Do designated routes reflect changes monthly or seasonally?

**RESPONSE**

- a. I am told that, as of August 17, 2009 there were 179 mobile vans. The 204 number represents the 179 mobile vans as well as 24 stationary trailers that support operational issues around a retail unit such as construction.
- (b)(i) An average of three stops per route.
- (b)(ii) Of the 24 that have designated routes, 14 serve the same locations each day, 10 vary the locations. The Postal Service does not have conclusive data regarding the location variability per week.
- (b)(iii). Of the 24 designated routes, I am told that one changes seasonally and one changes annually.

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**VP/USPS-T1-18.**

Please refer to your response to VP/USPS-T1-5.a. With respect to service provided to assisted living facilities by mobile retail vans, is such service in the nature of a “special event,” or is it provided as a stop on designated routes?

**RESPONSE**

I am told service provided to assisted living facilities would be in the nature of a special event.

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**VP/USPS-T1-20.**

- a. Your response to VP/USPS-T1-6.c. states that “mobile retail vans do not have wireless data transmission capacity.” Please explain why the Postal Service’s mobile retail vans do not have wireless data transmission capacity.
- b. Your response to VP/USPS-T1-1.d. states that mobile retail vans accept credit and debit cards “for special events only.” How do those vans accept credit and debit cards without having wireless data transmission capacity?

**RESPONSE**

- a. I am told that wireless POS for mobile vans were originally explored as part of an emergency response planning effort. The first wireless devices proved successful but concerns were raised for extended use of wireless POS due to the limited ability to receive timely downloads and regular updates. Downloads are critical for software updates of new products, price changes, etc.
- b. Employees in the mobile vans are using manual credit card imprinter devices. The credit card information is then entered into the POS system when the employee returns to the retail unit at the end of the day.

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**VP/USPS-T1-21.**

Please refer to your response to VP/USPS-T1-8.b and, also, Status Report of the United States Postal Service Concerning Response to Commission Information Request No. 1 (Questions 15, 16 and 20) (filed August 28, 2009). Does the revision to USPS Library Reference N2009-1/4 discussed in the response to Question 15 (p. 2), or any subsequent revision to that library reference, alter the number of stations and branches (125) reported to have a CPU in the same 5-digit ZIP code area? If so, please update your response to VP/USPS-T1-8b and provide the revised datum.

**RESPONSE**

I am informed that 159 of the 759 have CPUs in the same 5-digit ZIP Code.

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**VP/USPS-T1-22.**

Of the 125 or so CPUs located in the same 5-digit ZIP area as a station or branch listed in USPS Library Reference N2009-1/4, how many would be situated in (i) drug stores, (ii) grocery stores, (iii) convenience stores, e.g., 7-eleven, or (iv) other (please describe if more than 20 percent of total)?

**RESPONSE**

Of the 159 CPUs situated in the same ZIP Code as a station or branch listed in the September 2<sup>nd</sup> version of USPS Library Reference N2009-1/4, I am informed that:

- (i) 17 are situated in drug stores;
- (ii) 33 are situated in grocery stores;
- (iii) 10 are situated in convenience stores;
- (iv) 62 are in other retail locations that are not disaggregated into specific categories in our data base. 37 are in locations designated as follows:  
colleges (19); card stores (7); hardware stores (4); banks (4);  
department stores (1); hospitals (1); and newsstands (1).

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**VP/USPS-T1-23.**

- a. Inasmuch as all the stations and branches listed in USPS Library Reference N2009-1/4 are located in metropolitan areas that include multiple stations and branches, please explain whether it would be reasonable to refer to those CPUs mentioned in your response to VP/USPS-T1-8.b. as “urban” CPUs?
- b. Please refer to your response to VP/USPS-T1-8.e.
  - (i) Of those 125 or so “urban” CPUs, what percentage is known to be open for 10 or more hours on weekdays (*i.e.*, Monday to Friday)?
  - (ii) Of those 125 or so “urban” CPUs, what percentage is known to be open for at least 8 hours on Saturday?
  - (iii) Of those 125 or so “urban” CPUs, what percentage is known to be open for at least 6 hours on Sunday?

**RESPONSE**

- a. No. “Urban or suburban” would be reasonable, though.
- b. Of the 159 CPUs, I am informed that:
  - (i). 26 percent are open for 10 or more hours on weekdays;
  - (ii). 42 percent are open for at least 8 hours on Saturday; and
  - (iii). 1 percent is open for at least 6 hours on Sunday.

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**VP/USPS-T1-24.**

Please explain how the Postal Service compensates those 125 or so CPUs located in the same 5-digit ZIP area as a station or branch listed in USPS Library Reference N2009-1/4: (i) solely on a commission basis, *i.e.*, some agree-upon percent of revenues collected from the sale of postal products and services; (ii) solely on a fixed fee basis, *i.e.*, a fixed monthly or annual payment negotiated and agreed to between the Postal Service and the CPU; or (iii) some combination of the two.

**RESPONSE**

Of the 159, 80 are compensated on a percentage basis and 79 are compensated on a fixed fee basis.