

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

STATION AND BRANCH OPTIMIZATION AND
CONSOLIDATION INITIATIVE, 2009

Docket No. N2009-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO PUBLIC REPRESENTATIVE INTERROGATORY PR/USPS-37
(September 28, 2009)

The United States Postal Service hereby provides an institutional response to the following interrogatory of the Public Representative filed on September 25, 2009: PR/USPS-37. The interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Pricing and Product Support

Michael T. Tidwell
Attorney

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2998; Fax -5402
michael.t.tidwell@usps.gov

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF THE PUBLIC REPRESENTATIVE**

PR/USPS-37

Please refer to the response to PR/USPS-36, and table in Attachment B (herein "Attachment B Table"). Also, please refer to the response to PR/USPS-T1-6(b), and the attached table entitled "EAS-24 & Above Stations/Branches FY 2008."

- a. Please reconcile the amount \$9.346 billion for "Function 2 (Delivery) Salaries & Benefits" in the Attachment B Table with the amount \$8.632 billion for "City Delivery Salaries & Benefits" in the table EAS-24 & Above Stations/Branches FY 2008. Please show all calculations.
- b. Please explain the distinction between the line entitled "Function 2 (Delivery) Salaries & Benefits" in the Attachment B Table and the line entitled "City Delivery Salaries & Benefits" in the table EAS-24 & Above Stations/Branches FY 2008.

RESPONSE

- a. The F2 Delivery Salaries and Benefits number (\$9.346B) in Attachment B contains combined City and Rural delivery salaries and benefits. This data provides a more complete picture of delivery operations in stations and branches than isolating City Delivery Salaries and Benefits (\$8.632B) and including Rural Delivery costs in "Other Salaries & Benefits". City and Rural delivery carriers are governed by different bargaining agreements and salary schedules, but they perform the same core duty of delivering mail to customers. The difference between the two delivery functions is important to local operations managers because of differences in work rules, but for the purposes of this discussion, it is reasonable to combine them.

The total Rural Delivery Salaries & Benefits for level 24 and above stations is \$0.714B.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF THE PUBLIC REPRESENTATIVE**

RESPONSE to PR/USPS-37 (continued)

Thus, City Delivery (\$8.632) + Rural Delivery (\$0.714B) = Function 2
Delivery (\$9.346B).

Similarly, one will observe that "Other Salaries & Benefits" changed from
\$0.814B to \$0.100B on the two submissions.

In the interest of clarity, it is believed to be more precise to provide the
total delivery salaries and benefits in one line and not have part of the
delivery costs included in a line called "other salaries & benefits".

- b. See response to subpart (a) above.