

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

RETAIL ACCESS OPTIMIZATION INITIATIVE, 2011

Docket No. N2011-1

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS BOLDT  
TO PUBLIC REPRESENTATIVE INTERROGATORIES PR/USPS-T1-1 THROUGH 3**

The United States Postal Service hereby provides the responses of witness James Boldt to the above-listed interrogatories of the Public Representative dated August 1, 2011. Each interrogatory is stated verbatim and followed by the response. Interrogatories PR/USPS-T1-4 and 5 have been redirected to the Postal Service for institutional response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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

**PR/USPS-T1- 1**

On page 13 of your testimony, you state: "It should be emphasized that postal management is not pursuing the RAO Initiative in order to achieve any predetermined operating cost savings target in the postal retail network."

- (a) Does the Postal Service expect to achieve cost savings if the RAO Initiative is implemented?
- (b) Please confirm that your testimony does not include an estimate of cost savings from implementing the RAO Initiative.
- (c) Please provide an estimate of the cost savings from implementing the RAO initiative.
- d) Does the Postal Service currently maintain a database of all retail facilities? If so, please provide this database in either excel format or as a flat file for FY2008, FY2009 and FY2010. Please identify and define all data fields.
- (e) Does the Postal Service currently maintain a database of all retail facilities with cost and revenue for each facility? If so, please provide this database in either excel format or as a flat file for FY2008, FY2009 and FY2010. Please identify and define all data fields.

**RESPONSE**

- (a) Yes.
- (b-c) Confirmed. Please see the USPS response to DBP/USPS-18.
- (d) There are various data bases that contain some information about retail facilities. There is no one system that contains all postal data regarding all of its retail facilities. The USPS Facilities Database (FDB) is a system that contains some retail facility data and is able to access or link to a wide variety of other data about retail facilities from other data systems. However, it does not exist in a form that makes it possible to create an Excel or flat file replica. It is hoped that the technical conference will shed light on what exists.
- (e) Almost. The Facilities Data Base contains or is able to access data by six-digit facility finance number. However, the data for approximately 1900 stations and

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**RESPONSE to PR/USPS-1 (continued)**

branches are rolled-up to the finance number of the Post Office to which they report in FDB. Accordingly, FDB cost data for various finance numbers are an aggregate figure that covers multiple associated retail units. With that limitation, the Postal Service will file a Library Reference document responsive to this interrogatory with cost/revenue data for FYs 2008-10.

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**PR/USPS-T1- 2**

On page 15 of your testimony, you state: “the Postal Service has examined earned workload data for each of its retail facilities and has identified all Post Offices for which earned workload amounted to less than two hours per day and annual revenue was no greater than \$27,500. Over 2,800 candidate offices were identified using data collected from the Small Office Variance tool.”

- (a) How does the Postal Service determine the workload and EAS classification of each Postal Facility?
- (b) Please provide the “Small Office Variance Tool” in either excel format or as a flat file for FY 2009 and FY2010. Please identify and define all data fields

**RESPONSE**

- (a) The Postal Service assigns standardized quantitative values to various tasks performed at retail locations to determine earned workload. Nationally established standardized productivity targets are applied to the unit workload to calculate earned workhours. Based on its earned workload, a facility is classified as requiring that its Postmaster be of at least a certain postal EAS grade.
- (b) The Customer Service Variance (CSV) model is used to review Function 4 operations, delivery unit non-carrier bargaining unit activities, in Cost Ascertainment Group (CAG) H to L offices. Cost Ascertainment Group (CAG) classifications are used to identify Post Offices according to revenue generated. CAG H-J offices have 190 to 949; CAG K offices have 36 to 189; and CAG L offices have fewer than 36. CSV integrates locally reported unit workload from various national data systems. However, it does not exist in a form that makes it possible to create an Excel or flat file replica. It is hoped that the technical conference will shed light on what exists within or is accessible via CSV.

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**PR/USPS-T1- 3** On page 11 of your testimony, you state that “retail locations with annual walk-in revenue of less than the relatively low figure of \$100,000 generally tend not to be as geographically isolated as some might assume. Table 5 below is based on data for 13,494 retail locations for which latitude and longitude data were available.”

- a. How many postal retail locations averaged less than \$100,000 in yearly walk in revenue in FY 2008, FY2009, and FY2010.
- b. The file “nearest neighbor graph data.xls” tab “data” contains location title data for a confidential number of postal retail locations. Was the Postal Service unable to obtain latitude and longitude data for all postal retail locations? If not, please explain why some postal locations were excluded from the “nearest neighbor” calculation.
- c. Please discuss how exclusion of postal retail locations from the nearest neighbor calculation will impact the retail access optimization process.

**RESPONSE**

(a) FY 2008: 13,432. FY 2009: 13,860. FY2010: 14,243.

(b-c) The Nearest Neighbor depiction in Table 5 is meant to present a general illustration of proximity based upon easily accessible latitude/longitude data from the Facilities Data Base. Creation of the Table did not rely on the more robust data source -- Electronic Facilities Management System. EFMS provides a means of determining driving distance between postal retail facilities and is routinely used for determining proximity of nearby postal retail facilities as part of the Handbook PO-101 discontinuance review process. Accordingly, the fact that Table 5 provides a general overview based on limited latitude/longitude data has no bearing on how inter-facility proximity is being measured or analyzed as part of the RAO Initiative.