

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

Complaint on Removal
of Collection Boxes

Docket No. C2003-1

ANSWER OF THE UNITED STATES POSTAL SERVICE

(December 20, 2002)

Introduction and Background

On November 21, 2002, the Postal Rate Commission received a complaint filed by Douglas F. Carlson. By letter dated November 22, 2002, the Office of the Secretary, Postal Rate Commission, designated the docket number above and advised the General Counsel, United States Postal Service, of the Complaint's filing under title 39, United States Code § 3662. The complaint is styled as "Complaint on Removal of Collection Boxes," and its stated subject matter is the cumulative removal of thousands of collection boxes by the Postal Service since January 1, 2000.

As discussed in more detail below, it is the view of the Postal Service that the concerns raised by Mr. Carlson on this occasion are incapable of sustaining a legitimate complaint proceeding pursuant to section 3662. The only specific factual allegation in the complaint that is both potentially material and accurate is that the Postal Service, over approximately the last two years, has removed a relatively small, albeit certainly non-trivial, proportion of its collection boxes. From that narrow platform, Mr. Carlson launches utterly baseless accusations that the Postal Service has instituted a

nationwide change in service, and that the Postal Service fails to provide adequate and efficient service.

In reality, although carried out in the context of broader societal changes emanating from the tragic national and postal events that occurred in the fall of 2001, the decisions to remove the collection boxes in question have been made by local postal officials consistent with long-established guidelines. Those decisions have resulted primarily in the removal of low-volume boxes, which common sense dictates would be expected to generate, at most, minor effects on customers. The Postal Service has internal data which addresses whether the expectation of little or no nationwide effects on customers is borne out, or whether the complaint's unsupported assertions (that those actions have instead caused nationwide changes in service and access to mailing service to be inadequate) have merit. While it is the policy of the Postal Service not to disclose its commercially sensitive and confidential internal data publicly, the Commission in another complaint docket has very recently expressed dissatisfaction when comparable information was unavailable to inform its decision because, in that instance, similar information did not exist. To address these various concerns, but allow the Commission to evaluate the appropriate treatment of the complaint promptly and efficiently, the Postal Service is, with substantial reluctance, concurrently filing today a separate motion for protective conditions. If appropriate protective conditions are established, the Postal Service will provide the relevant data to allow the Commission to judge for itself whether a nationwide change in service has occurred, and whether access to mailing services is adequate.

While any change affecting postal operations at local points where the Postal

Service and customers interact carries with it the likelihood that one or more customers will find the new arrangements less convenient, that unavoidable reality cannot be brandished as an excuse to perpetuate the status quo and never make any changes. Instead, efforts must be focused at the local level to address and work through customer concerns, and the Postal Service believes that, by and large, local officials have undertaken such efforts. Mr. Carlson's attempt to enmesh the Postal Service and the Commission in protracted litigation over the minutia of day-to-day operational matters, devoid of significant policy implications, should be rejected. Before explaining those views and recommending that the Commission summarily dispose of this complaint without hearings, however, the Postal Service provides the following Answer to the specific allegations of the complaint.

ANSWER

The Complaint consists of 56 numbered paragraphs, and includes citations to four library references. Pursuant to Rule 84 of the Rules of Practice and Procedure of the Postal Rate Commission (title 39, Code of Federal Regulations §3001.84), the Postal Service answers each paragraph of the Complaint as follows:

Paragraph 1

This paragraph simply identifies the complainant by name; the Postal Service considers this sentence procedural and not requiring a response.

Paragraph 2

This paragraph paraphrases a section of the Postal Reorganization Act, to which no answer is required.

Paragraph 3

This paragraph paraphrases a section of the Postal Reorganization Act, to which no answer is required.

Paragraph 4

This paragraph states a legal conclusion, to which no answer is required. The Postal Service has disagreed with the legal conclusion stated.

Paragraph 5

This paragraph quotes a section of the Postal Reorganization Act, to which no answer is required.

Paragraph 6

This paragraph states a legal conclusion, to which no answer is required.

Paragraph 7

This paragraph quotes a section of the Postal Reorganization Act, to which no answer is required.

Paragraph 8

This paragraph states a legal conclusion, to which no answer is required.

Paragraph 9

This paragraph quotes a section of the Postal Reorganization Act, to which no answer is required.

Paragraph 10

This paragraph paraphrases a section of the Postal Reorganization Act, to which no answer is required.

Paragraph 11

This paragraph states a legal conclusion, to which no answer is required.

Paragraph 12

This paragraph paraphrases a section of the Postal Reorganization Act, to which no answer is required.

Paragraph 13

Denied. The Postal Service has no “statutory monopoly” on any class of mail, including First-Class Mail. For example, Aunt Minnie may choose to send her favorite nephew a fountain pen as a gift, and may use First-Class Mail as her preferred means of delivery, but the Postal Service has no monopoly, statutory or otherwise, over the carriage of such material. If this paragraph of the complaint is intended to refer to the Private Express Statutes included in chapter 6 of title 39, the provisions of that chapter refer only to “letters,” and include no references to any class of mail. For the regulations explaining how the Private Express Statutes are applied, see part 310 of 39 CFR. Moreover, the Private Express Statutes offer no protection against competitors who exist to serve the needs of potential postal customers through the wide array of nonpostal channels (e.g., telephones, the Internet, fax machines) that also allow consumers and businesses to communicate, exchange correspondence and data, send and receive bills and payments, etc.

Paragraph 14

Denied. Consumers use their home delivery box to deposit the highest proportion of their outgoing mail, and less than one-third of their mail is deposited in collection boxes.

Paragraph 15

Admitted.

Paragraph 16

The Postal Service lacks sufficient information to respond to this allegation, as the term “communities” is susceptible to a variety of interpretations. As a simple matter of logic, if the term “community” were defined sufficiently narrowly (e.g., neighborhood or subdivision) such that a particular so-defined “community” initially had three or fewer collection boxes, if as few as one collection box were removed from such a “community,” the result would have been the removal of at least one-third of the collection boxes in that “community.”

Paragraph 17

This paragraph states a legal conclusion, to which no answer is required. To the extent that an answer is deemed to be required, it is denied.

Paragraph 18

This paragraph states a legal conclusion, to which no answer is required. To the extent that an answer is deemed to be required, it is denied.

Paragraph 19

The Postal Service admits that a lengthy series of individual actions producing the result described in paragraph 15 of the complaint were initiated without solicitation of an advisory opinion from the Commission. The Postal Service denies, however, any suggestion that solicitation of an advisory opinion from the Commission was necessary or required.

Paragraph 20

The formulation of the allegation in this paragraph precludes a rational response. It would not have been potential “exigencies” preventing the Postal Service from seeking an advisory opinion from the Commission prior to removing specific collection boxes from service. The impediment instead would have been that the removal of specific collection boxes would not constitute a contemplated change in the nature of postal services that would generally affect service on a nationwide or substantially nationwide basis. The provisions of section 3661(b) do not extend to advisory opinions on potential changes that would generally affect service on less than a nationwide or substantially nationwide basis.

Paragraph 21

The Postal Service admits that POM § 315.4 constitutes one portion of POM Chapter 3 providing internal guidance on collection box removal or relocation. The Postal Service denies, however, that section 315.4 constitutes the exclusive source of guidance on those topics, because other sections of Chapter 3 offer useful guidance as well. These include section 313.1(d), which indicates that:

Collection service must function efficiently; therefore, establish collection schedules as follows:

- ...
 - d. Review operations continually to make modifications justified by changed conditions.

They also include section 313.7 (Establishment of and Changes in Collection Schedules and Collection Box Locations):

Any decision made under this chapter that affects collection schedules or the location of collection boxes must take into account and be consistent with the needs of the community affected by the decision, the volume and

the type of mail affected, the need for timely processing of the mail, and the need to meet outgoing dispatches.

To the extent that the initial clause of this paragraph of the Complaint implies that the status any of these POM sections might have been affected by “the widespread removal of collection boxes,” that implication is denied.

Paragraph 22

The Postal Service denies that the January 17, 2002 memo from the Vice President, Delivery and Retail, was intended to or had the effect of changing the provisions of any of the applicable POM provisions, including section 315.4. (While a copy of that memo has been included in DFC-LR-1, for purposes of convenience, an additional copy is appended to this document.) The primary purpose of that memo was to elicit analysis from Area officials regarding potential effects of *possible* changes in the box removal criteria. The portion of the memo quoted in this paragraph of the Complaint additionally alerted officials that boxes not meeting the existing 25-piece minimum *could* be removed, with appropriate notice to customers, but without the need to wait for any possible changes in the guidelines.

Paragraph 23

The Postal Service denies that it has either formally or otherwise changed the material guidelines stated in the relevant provisions of the POM regarding the removal or relocation of collection boxes. By applying the 25-piece minimum, as instructed by the January 17, 2002 memo from the Vice President, Delivery and Retail, the field is considering the volume of mail before removing collection boxes. To the extent that POM § 315.4 still refers to the “character” of the mail collected, that language relates to

an era in which mail other than First-Class Mail was routinely deposited in collection boxes. With the elimination of Single Piece Third-Class mail in the mid 1990s, and the 16-ounce limit on material placed in collection boxes, that era ended. The only mail routinely placed in collection boxes is First-Class Mail, and that mail is sealed against inspection. There are no longer any means by which to identify the “character” of the mail collected in specific collection boxes. To the extent that the material deposited in all collection boxes is virtually uniformly First-Class Mail, the “character” of the mail no longer constitutes a valid basis to distinguish between collection boxes that are potential candidates for removal. That trend, however, has been the result of developments unrelated to the issues raised by the Complaint. The Postal Service is unaware of any instances in which field offices have removed collection boxes when those boxes met the 25-piece minimum guideline, unless the removal was based directly on local concerns of public safety regarding the specific box or boxes in question. In those limited instances, public safety concerns define the most pressing “needs of the community affected by the decision” as referenced in section 313.7 (quoted in full above), and supersede the other guidelines of POM Chapter 3. In other instances, application of the guidelines remains unchanged.

Paragraph 24

The Postal Service denies that it has changed the 25-piece guideline. The January 17, 2002 memo from the Vice President, Delivery and Retail, indicates that it continues to be the operative guideline. No further general guidance to the field has been issued on this topic since that date.

Paragraph 25

Denied. In general, the provisions of Chapter 3 of the POM provide internal guidance on collection practices for city delivery offices. While it is the intent of the Postal Service generally that the collection service provided nationwide be consistent with its obligations under the statute, the specific provision of the POM cited in this paragraph cannot be considered to “implement” specific provisions of the statute.

Paragraph 26

Denied. The Postal Service is only required to request an advisory opinion when it determines that there should be a change in the nature of postal services which would generally affect service on a nationwide or substantially nationwide basis.

Paragraph 27

Denied. The Postal Service has not “failed” to obtain an advisory opinion, because the Postal Service has not determined that there should be a change in the nature of postal services which would generally affect service on a nationwide or substantially nationwide basis.

Paragraph 28

The Postal Service is unaware of instances in which field offices have removed collection boxes when those boxes met the 25-piece minimum guideline, unless the removal was based directly on local concerns of public safety regarding the specific box or boxes in question. In those limited instances, public safety concerns define the most pressing “needs of the community affected by the decision” as referenced in section 313.7 (quoted in full above), and supersede the other guidelines of POM Chapter 3. In other instances, application of the guidelines remains unchanged.

Paragraph 29

Denied. Provisions in Chapter 3 of the POM provide internal guidance to local officials regarding collection practices in city delivery offices, but do not operate to “require” the Postal Service to provide a particular level of collection service.

Paragraph 30

Denied. Provisions in Chapter 3 of the POM provide internal guidance to local officials regarding collection practices in city delivery offices, but do not operate to “require” the Postal Service to provide a particular level of collection service.

Paragraph 31

Denied. In general, the provisions of Chapter 3 of the POM provide internal guidance on collection practices for city delivery offices. While it is the intent of the Postal Service generally that the collection service provided nationwide be consistent with its obligations under the statute, the specific provision of the POM cited in this paragraph cannot be considered to “implement” specific provisions of the statute.

Paragraph 32

Denied. Postal customers are receiving postal services in accordance with policies of the Act.

Paragraph 33

Denied. Provisions in Chapter 3 of the POM provide internal guidance to local officials regarding collection practices in city delivery offices, but do not operate to “require” the Postal Service to provide a particular level of collection service.

Paragraph 34

Denied. Provisions in Chapter 3 of the POM provide internal guidance to local

officials regarding collection practices in city delivery offices, but do not operate to “require” the Postal Service to provide a particular level of collection service.

Paragraph 35

Denied. In general, the provisions of Chapter 3 of the POM provide internal guidance on collection practices for city delivery offices. While it is the intent of the Postal Service generally that the collection service provided nationwide be consistent with its obligations under the statute, the specific provision of the POM cited in this paragraph cannot be considered to “implement” specific provisions of the statute.

Paragraph 36

Denied. Postal customers are receiving postal services in accordance with policies of the Act.

Paragraph 37

Denied.

Paragraph 38

Denied. The very nature of counting the amount of mail deposited by the public in collection boxes, before removing them, monitors the public need for and use of those collections boxes. This provides the public with the most significant opportunity possible for input into the decisionmaking process. No better avenue for public input could possibly be devised. Above and beyond that, however, the January 17, 2002 memo from the Vice President, Delivery and Retail, instructed field officials to remove boxes only with appropriate notice to the public. One purpose of this instruction was to create the opportunity for instances in which comments from the public generated by such notice could cause a tentative removal decision regarding a specific box or boxes

to be reversed, even prior to the scheduled removal.

Paragraph 39

Denied. Beyond counting the amount of mail being deposited by the public in specific collection boxes before removing those boxes, the Postal Service has additionally, in some instances, responded to comments from the public by restoring boxes which had already been removed. Moreover, the January 17, 2002 memo from the Vice President, Delivery and Retail, instructed field officials to remove boxes only with appropriate notice to the public. One purpose of this instruction was to create the opportunity for instances in which comments from the public generated by such notice could cause a tentative removal decision regarding a specific box or boxes to be reversed, even prior to the scheduled removal.

Paragraph 40

Denied. The Postal Service's removal of collection boxes has prompted some complaints from customers to congressional representatives, but those complaints have generally been resolved pursuant to routine practice on such matters.

Paragraph 41

Denied. The removal of a collection box into which was previously being deposited any amount of mail at all would necessarily seem to cause some customer or customers to have to resort to an alternate point of access to First-Class Mail service. Given the multiple means of access available to virtually all customers, however, it does not logically follow that the removal of a small subset of collection boxes necessarily reduces the ability of customers to get their First-Class Mail into the mailstream.

Paragraph 42

The paragraph generally paraphrases a provision of the Act, and then concludes with speculation as to the purpose of that provision. The Postal Service does not consider that a response is required to such speculation.

Paragraph 43

This paragraph states a legal conclusion, to which no answer is required. To the extent that an answer is deemed to be required, it is denied.

Paragraph 44

This paragraph states a legal conclusion, to which no answer is required. To the extent that an answer is deemed to be required, it is denied.

Paragraph 45

This paragraph states a legal conclusion, to which no answer is required. To the extent that an answer is deemed to be required, it is denied.

Paragraph 46

This paragraph states a legal conclusion, to which no answer is required. To the extent that an answer is deemed to be required, it is denied.

Paragraph 47

This paragraph states a legal conclusion, to which no answer is required. To the extent that an answer is deemed to be required, it is denied.

Paragraph 48

This paragraph states a legal conclusion, to which no answer is required. To the extent that an answer is deemed to be required, it is denied.

Paragraph 49

Denied. The Postal Service does not believe that its motivation for removing collection boxes is accurately or appropriately described by this statement. The statement is qualified to suggest that the primary motivation of reducing costs applies only to the removal of “most” boxes, implying that the primary motivation in other instances was something other than the reduction of costs. Clearly there have been instances in some cities in which the initiative to remove particular boxes has come from outside the Postal Service, has been directly related to local concerns of public safety, and has had no relationship to efforts to reduce postal costs. Events since last fall have heightened concerns both within and outside the Postal Service regarding the potential for collection boxes to be used as containers within which explosives or other harmful substances could be hidden for subsequent detonation or release, and as entry points for the intentional introduction of hazardous materials into the postal system (such as anthrax, which last year killed two postal employees). It is entirely rational, therefore, to seek to identify collection boxes which are, because of limited usage, of only marginal value to the collection network, and remove them. Such efforts can be, and have been, undertaken consistently within the existing guidelines of POM Chapter 3, such as section 313.1(d) which urges local officials to review “operations continually to make modifications justified by changed conditions.” To the extent that such reviews are handled properly and increase overall efficiency, whether initially prompted “primarily” because of general concerns of public safety or otherwise, they would appear to be fully consistent with the policies of the Act, and no cause for complaint.

Moreover, the incentive to minimize costs does not necessarily exist

independently of concerns regarding public and employee safety. To the extent that the Postal Service might be exploring technological enhancements to collection boxes in order to minimize risks to its customers, its employees and the public at large, some of the costs of those enhancements would be expected to be incurred on a per-unit basis. The greater the number of collection boxes to which these enhancements have to be applied, the greater the total cost of the new technology. If costs can be saved by reducing the number of collection boxes, a technological fix addressing safety concerns which might otherwise not be financially viable could move within reach. Under circumstances such as these, it becomes difficult to identify the “primary” motivation driving efforts to identify and remove underutilized collection boxes.

Lastly, even if concerns of public and employee safety were put aside entirely, efforts motivated to improve efficiency would be mischaracterized as efforts motivated merely “to reduce costs.” When a guideline like the 25-piece minimum is applied, the effort is to improve efficiency, because the guideline provides a basis to balance the value of the box to customers (as measured by the amount of mail deposited) against the costs of the Postal Service to maintain and service the box. Moreover, as circumstances either evolve over time or change in response to discrete events, efficiency concerns warrant refocusing to maintain alignment between the supply of and demand for collection services. In contrast, a simple administrative fiat to reduce collection costs by a given amount (or remove a given percentage of collection boxes) could truly represent an effort motivated primarily to reduce costs. Of course, even then, the result of such a directive could be improved efficiency, because prudent managers would attempt to comply in the most efficient manner possible, by starting

removals with the least used boxes. But in terms of motivation, the critical grounds for distinction turn on whether the intent is to achieve a mandated level of cost savings, or is simply to remain attuned to the possibilities for improved efficiencies that flow from the removal of underutilized collection boxes. Nothing done recently by the Postal Service on a nationwide or substantially nationwide basis equates with the first approach; what has been done has instead been consistent with the second approach.

Paragraph 50

The Postal Service denies that complainant has suffered harm from the Postal Service's "failure" to obtain an advisory opinion before instituting a nationwide change in service, because the Postal Service has not changed the nature of postal services on a nationwide or substantially nationwide basis. The Postal Service denies that complainant has suffered harm from the Postal Service's failure to provide adequate collection service, because the Postal Service has not failed to provide adequate collection service. The Postal Service lacks sufficient knowledge to ascertain whether complainant has been harmed by the removal of collection boxes, or, even if harmed, whether such harm was material. Moreover, harm (if any) suffered by complainant personally would not present an issue of nationwide policy.

Paragraph 51

Denied. The removal of collection boxes affects neither most nor many customers nationwide, just as the installation of new boxes in communities with expanding populations and delivery points affects neither most nor many customers nationwide.

Paragraph 52

The paragraph relates to a procedural requirement, and no response is required.

Paragraph 53

The paragraph relates to a procedural requirement, and no response is required.

Paragraph 54

The paragraph relates to a procedural requirement, and no response is required.

Paragraph 55

The paragraph relates to a procedural requirement, and no response is required.

Paragraph 56

This paragraph consists of a request for relief, to which no answer is required.

To the extent that an answer is deemed to be required, the Postal Service denies that the requested relief is either warranted or appropriate. The Postal Service has not failed to provide collection services in accordance with the policies of the Act, and the Postal Service has not implemented changes in the nature of service that generally affected service on a nationwide or substantially nationwide basis.

The Postal Service denies all other allegations of material fact which have not been answered specifically herein.

In accordance with Rule 84(b) and (c) of the Rules of Practice and Procedure of the Postal Rate Commission, the Postal Service further states as follows:

Jurisdiction

1. Complainant presents essentially two grounds as the basis for this complaint regarding the removal of collection boxes. One is the allegation that the Postal Service

has failed to submit to the Commission what in his mind was a required request for an advisory opinion on a nationwide change in service, and the other is the allegation that the removal of collection boxes has resulted in service that fails to be in accordance with the policies of the Act. See, e.g., paragraph 56 of the Complaint. In previous dockets initiated by the same complainant, the Postal Service has fully articulated its position that an allegation that the Postal Service has failed to follow the procedures of section 3661(b) of the Act does not constitute a cognizable complaint under section 3662. That position is presented most comprehensively in the Postal Service's "Response of the United States Postal Service to Order No. 1307, and Motion for Reconsideration," at pages 1-8, filed in Docket No. C2001-1 on April 10, 2001. As fully explained in that pleading, the Commission's role in service complaints under section 3662 is limited to evaluation of allegations that the service provided is not in accordance with the *policies* of the Act, and the Commission therefore lacks jurisdiction to litigate allegations that the Postal Service has failed to follow *procedural* provisions of the Act. While recognizing that the Commission has previously declined to embrace this view (e.g., in Docket No. C2001-1), the Postal Service nonetheless continues to regard it as an inherent limitation on the scope of service complaint cases under section 3662.

2. Two factors complicate potential application of that jurisdictional doctrine with respect to this complaint, however. First, as noted above, the complaint in this instance also includes additional allegations of failures to conform with certain policies of the Act. At first blush, therefore, issues of jurisdiction based on the relevance of section 3661(b) would appear to recede in importance. The second factor to consider, though, is that while there are portions of the complaint alleging service that does not measure up to

the policies of the Act, there are no specific factual allegations to support those claims. Paragraphs 32, 36, and 44-48 of the complaint recite allegations of a failure to conform with a policy of the Act, but neither those paragraphs nor the paragraphs which precede them provide even the facade of a factual predicate upon which they might be based. The entire and exclusive springboard for the complaint, in terms of concrete factual allegations, is that thousands of collection boxes have been removed. Mr. Carlson transmogrifies this single fact into a perceived nationwide change in service, for which he claims that a section 3661(b) proceeding was required. That the section 3661(b) allegations form the absolute core of the complaint is manifest in paragraphs 13-20, which are styled as "Summary of Complaint," and which focus exclusively on nationwide change in service matters. In contrast, the "policy" allegations of paragraphs 32, 36, and 44-48 appear to be *pro forma* makeweights, perhaps intended to defeat challenges to jurisdiction based exclusively on the section 3661(b) allegations.

3. To the extent that the unsupported allegations in paragraphs 32, 36, and 44-48 of Mr. Carlson's complaint regarding actual policies of the Act are viewed as sufficient to pass the minimum standards for the establishment of subject matter jurisdiction, the deficiencies in those allegations still merit attention. Even if the Commission has jurisdiction to hear the complaint, it also has the discretion to decline to do so. Useful standards of jurisprudence are not advanced if conclusory and skeletal pleadings suffice to allow a complainant to avoid the burden of showing, with *some* specificity, concrete factual circumstances, and explaining the rationale by which it is asserted that those circumstances lead to the conclusion that a policy of the Act has been violated. On that basis alone, the Commission should decline to entertain the

“General Allegations” set forth in paragraphs 44-48 of the complaint.

Factual Background

4. Customers enter single piece mail in a variety of ways. (By single piece mail, we intend, unless otherwise noted, to refer to mail that is entered individually, or perhaps several pieces at a time, rather than merely to pieces *rated* as single-piece mail. The latter, in fact, may be entered in bulk quantities, in ways that are not relevant to this proceeding.) Options include depositing mail in collection boxes, in drop slots in post office lobbies, over the counter at post office windows, leaving outgoing mail in the home delivery box, or mailing at work. While the majority of customers do utilize collection boxes at one time or another, more mail is left in home delivery boxes than deposited in collection boxes. Without releasing the specifics of proprietary research conducted in January of 2002, such research suggests that slightly less than one-third of mail is deposited in collection boxes. In comparison, a larger percentage is left in the home delivery box, while a significant percentage is deposited in drop slots in post office lobbies, is entered over the counter, or mailed at work. Therefore, while collection boxes constitute an important part of the means by which customers enter mail, many options do exist, and customers routinely make very heavy use of alternatives to the collection box network.

5. Given the options available to and utilized by customers for depositing mail discussed in the preceding paragraph, meaningful evaluation of the adequacy of service requires a direct focus on the overall ease of mailing, rather than on any one component. The Postal Service tracks just such a measure, “Ease of Mailing Letters.” In Docket No. R2001-1, the Postal Service provided ratings on numerous aspects of

residential customer service yielded by periodic customer surveys conducted by a major private survey firm. That information was provided, under protective conditions, in Library Reference USPS-LR-J-197, in response to requests from the OCA. The Postal Service continues to consider such information as proprietary, intended only for internal use, and not suitable for public disclosure. As noted above, however, the Postal Service has decided that, on balance, it is willing to make such information available under protective conditions for the limited purpose of use in evaluating the instant complaint. Upon the establishment of protective conditions, the Postal Service would make available the Ease of Mailing scores for FY01, the same data provided in the rate case. The data from FY01 also happen to be the data from the first period in which such information was collected. Furthermore, the Postal Service would provide the same scores for Quarter One of FY03, the most recent period for such information was collected. Given its confidential nature, no attempt will be made here to summarize those results. They would, however, allow the Commission to evaluate directly the complaint's assertions that there has been a nationwide change in service, and that service has become inadequate.

6. Although not requested or provided as part of USPS-LR-J-197 in Docket No. R2001-1, the Postal Service also tracks customer satisfaction specifically with respect to "Convenient Location of a Mail Collection Box." Obviously, this item relates to a more narrow conceptualization of service, compared with the broader measure of "Ease of Mailing Letters." Although unable to summarize those data here because of their proprietary nature, the Postal Service is willing to make them available, along with the "Ease of Mailing Letters" scores, under the same protective conditions. They could

also assist the Commission in its evaluation of the complaint’s assertions that there has been a nationwide change in service, and that service has become inadequate.

7. To whatever extent there is reason to believe that the absolute number of collection boxes is important, the complaint correctly asserts that thousands of collection boxes nationwide have been removed over the last several years. The available information shows a total number of collection boxes nationwide, excluding storage boxes, hub/depot, firm, other, and unknown boxes, as follows:

	<u>Total</u>	<u>Change</u>	<u>Percentage Change</u>
End of PFY 1999	337,230		
End of PFY 2000	333,873	-3,357	-1.0%
End of PFY 2001	324,970	-8,903	-2.7%
End of PFY 2002	304,849	-20,121	-6.2%

Over the entire three-year time period, the total net decline in the number of boxes was 32,381, representing 9.6 percent of the box total at the beginning of the period.

8. Before jumping to any conclusions regarding the potential significance of recently observed collection box removals, it may be worthwhile to recognize that the number of collection boxes has fluctuated substantially over the years since Postal Reorganization. Data for the number of street collection boxes, apparently compiled by the postal historian in 1989, were recently located in Headquarters files. Those data cover the years 1972 through 1985 (the only years for which historical data have been located) and show the following:

1972	313,485
1973	386,660
1974	306,951

1975	303,563
1976	288,618
1977	338,000
1978	310,000
1979	272,000
1980	275,000
1981	290,224
1982	270,023
1983	259,273
1984	285,669
1985	302,782

These data suggest that, over that period, the number of collection boxes increased in 6 years, and decreased in 7 years. The highest number of collection boxes was 387,000 in 1973, and the lowest number was 259,000 in 1983. The largest annual increase was 73,000 boxes, and the largest annual decrease was 80,000. Changes of over 25,000 boxes were recorded for 6 of the 13 years.

9. The broader context in which box removals have occurred over the last 12-15 months cannot be ignored, although, likewise, neither should its significance be overstated. The events of last September 11th clearly heightened concerns of indiscriminate violence directed at prominent centers of civilian population and activity. The incidents of anthrax in the mailstream in the following month focused attention on mail induction. Common sense under these circumstances required that attention be paid to the utilization and deployment of the Postal Service's collection boxes, both locally and systemwide.

10. A portion of the subsequent box removals were the direct result of security concerns regarding the location of individual boxes. In these instances, if municipal, state, or other responsible officials informed local postal officials that they wanted boxes removed from in front of prominent buildings or other suspected potential targets, the

Postal Service complied with those requests. While the Postal Service is not contending that the majority of collection boxes removed since 2000 were removed directly for security reasons, it is clear that some were.

11. Conversely, other collection boxes have been removed for reasons other than security concerns relating to specific box locations. With respect to these boxes, while broader concerns regarding the security of the collection network were undoubtedly among the factors triggering increased attention to box utilization, these box removals were based on considerations focused on the types of factors more routinely employed for such purposes.

12. While there is no reason to believe that complainant is oblivious to the historical events of last fall, their aftermath, and their relatively obvious potential effects on collection box deployment, the complaint carefully avoids any explicit mention of these topics. Consequently, it is impossible to ascertain whether the scope of the complaint is intended to include box removals based on specific security concerns, or is intended to be limited to boxes removed for other reasons.

13. Regardless of complainant's intent, it is necessary to distinguish between the two types of box removals. If complainant's expectation is that, upon receiving a request that a collection box be removed for security reasons, responsible postal officials would scrutinize the POM to identify every possible impediment to granting such a request, his expectations are unrealistic. As noted above in response to paragraphs 23 and 28 of the Complaint, under those circumstances, the operative POM guideline is contained within section 313.7, which points officials to the "needs of the community affected by the decision." Safety and security are needs of the community

which manifestly outweigh any possible postal purposes for a collection box at a specific location. The Postal Service cannot currently envision any scenario in which it would appear to be practical to attempt to include any further consideration in response to this complaint of the propriety of box removals based directly on security considerations.

14. The remaining portion of recent collection box removals relates to those boxes removed for reasons other than a direct security concern with the location of the box. As noted earlier, the heightened concern for safety and security understandably forms an important part of the context in which these boxes have been removed, but has not been invoked as applying to these boxes specifically. Perhaps the most important fact to note with regard to these boxes (although the point actually applies to all collection boxes) is that there has been no instruction from Headquarters directing wholesale removal of collection boxes. The only relevant instruction from Headquarters, a copy of which is included in complainant's library reference, DFC-LR-1, was the January 17, 2002 memo from the Vice-President of Delivery and Retail. While mentioning the possibility of a future change in box guidelines (and requesting assistance in evaluating possible effects of such future changes), the memo explicitly referred the field back to existing POM guidelines for current box removals. No further guidance to the field has been issued since that memo.

Nationwide Change in Service

15. As stated above, it is the position of the Postal Service that the Commission's authority under section 3662 does not extend to consideration of complaints that the Postal Service has initiated a change in the nature of service generally affecting service on a nationwide or substantially nationwide basis, but failed

to consult the Commission pursuant to section 3661(b). Assuming *arguendo* that the Commission had such authority, however, complainant has failed to present valid reasons why the Commission should entertain such a complaint in this instance. The collection box removals of which he complains are the result of local determinations made by local officials. In some instances, local officials removed collection boxes because of concerns for safety and security. As indicated above, the complaint identifies no basis upon which those removals could reasonably be questioned. In other instances, local officials were applying existing guidelines to identify and remove underutilized boxes. As further explained next, local removal of underutilized boxes did not constitute a nationwide change in service.

16. To the extent that the complaint alleges (e.g., paragraph 17) that the sheer number of underutilized collection boxes removed causes those removals to constitute a nationwide change in service, this allegation cannot withstand scrutiny. The objective of the acting local officials in those instances was to remove underutilized boxes. The number of boxes removed, therefore, either nationwide or in any particular service area, was directly a function of how many underutilized boxes were identified. Potential factors which could cause a relatively large number of boxes in some communities to be deemed underutilized include changes in population patterns, changes in mailing habits, and, quite importantly, the length of time elapsed since the utilization level of each box was last examined. The interaction of these factors explains why more boxes were removed in some areas than in others. The critical point, however, is that the removal of an underutilized box has, by definition, only a minimal effect on service. Simple common sense dictates that a given number of removed boxes cannot automatically be

equated with a change in service having substantially nationwide effect. Moreover, the historical record from the 1970s and 1980s discussed above indicates the regular occurrence of swings in the number of boxes of similar (or greater) magnitudes, yet no basis exists to assert that those changes were ever considered to constitute nationwide changes in service.

17. To the extent that the complaint alleges (e.g., paragraph 26-27) that a nationwide change in service has occurred because of a change in the guidelines for box removals, that contention is even more transparently flawed. The only relevant documentary evidence, which is actually cited in paragraph 22 of the complaint and provided at page 3 of DFC-LR-1, proves the contrary. The January 17th Headquarters memo refers field personnel to the existing POM guidelines (e.g., “residential, low density: 25 pieces per day minimum outlined in the Postal Operations Manual”). It then requests their assistance in the conduct of analyses that could be used to evaluate the potential effects of a revised minimum density guideline, and suggests that contingency plans be developed for applying any such new guidelines. The memo concludes with an affirmation that, despite the possibility that it might change in the future, the existing minimum density guideline (i.e., 25 pieces) continues to apply for the present. Viewed in its entirety, the January 17th memo leaves no doubt that the field was instructed to continue to apply the existing POM guidelines on collection box removals.

18. It is patently absurd to contend, as the complaint does in paragraphs 21-27, that the January 17th memo constituted an intended nationwide change in service triggering the requirements of section 3661(b). The fundamental purpose of the memo was to assist in the consideration of whether a change in the density guideline would be

helpful. Mr. Carlson might claim that, before any change in the density guideline could have been implemented, the provisions of section 3661(b) would have applied. It is, however, astounding that he would further claim that the portion of the memo intended to remind the field that the current density guideline applies, unless and until a new guideline is adopted, likewise triggers the requirements of section 3661(b). It is as if Mr. Carlson is suggesting that any attempt by the Postal Service to gather the analyses which would support what he apparently believes would be a filing required by section 3661(b) would itself constitute a failure to comply with section 3661(b). Such illogic would inject a Catch-22 that would preclude the Postal Service from ever making any changes. In reality, however, there has been no change in the operative guidelines, and there has yet to be any occasion for the Postal Service even to consider filing a request for an advisory opinion.

19. The above discussion establishes that the allegations made in the complaint do not add up to the conclusion that “a change in the nature of service generally affecting service on a nationwide or substantially nationwide basis” has occurred. Even taken on its own term, the complaint is deficient. Were any further consideration of the matter deemed to be necessary, however, other relevant information can be found in the customer survey research regularly conducted on the Postal Service’s behalf. If the removal of collection boxes had caused a change in the nature of service generally affecting service on a nationwide or substantially nationwide basis, survey results would have recorded a material decline in customer satisfaction in the ease with which they can mail letters. Because those results are proprietary, they cannot be discussed here. Their utility, however, is potentially dispositive. No matter

how much smoke Mr. Carlson tries to blow up around the issue, the customer survey research should show whether or not there is any fire.

Public Input

20. The allegations contained in paragraphs 37-43 of the complaint, regarding insufficient opportunity for public input, blatantly ignore the reality of collection box removals. In fact, collection box removals are initiated directly on the basis of public input. That input comes in the form of the amount of mail that the public deposits in specific collection boxes. Mailers in this instance don't vote with their feet, they vote with their mail. Direct observation of what people do, as opposed to what people say, provides the very best type of public input. Contrary to the misleading implications of the complaint, when a box has been removed because mail volumes deposited are insufficient to meet long-established density guidelines, that removal was based directly on public input.

21. The January 17th memo to the field further suggested that boxes failing to meet the established density standard be removed with "appropriate notice to customers." To the extent that local officials followed this suggestion by posting notices on boxes prior to removal, this practice would have created additional opportunities for public input *before* the boxes were removed.

22. Paragraph 39 of the complaint includes the bare allegation that the Postal Service failed to obtain or evaluate input from the public after removing collection boxes. Once again, this allegation is baseless. Local officials routinely evaluate this type of public feedback. The balance of action/reaction is a constant fact of life in local offices. A harmonious relationship with the communities in which they live and work is not

something that local officials are eager to place in jeopardy. Whether they seek to or not, local officials are likely to hear about matters such as box removals, and will react to what they hear. Sometimes they hear from individual citizens; sometimes they hear from political or municipal representatives on behalf of citizens; and sometimes they hear from the press. Such routine exchanges occurred with respect to the recent box removals, and, reportedly, in some instances, boxes that had been removed were restored. Obviously, in other instances, the box removals stood.

23. The mere fact that you can't please all of the people, all of the time, in no way supports the erroneous accusation that the Postal Service did not sufficiently evaluate public input received prior to or following collection box removals. The Postal Service is mandated to provide adequate and efficient service, on a break-even basis. While some mailers might prefer local operations that afford them greater convenience, other mailers nationwide might prefer not to bear the increase in rates that would be necessary to offset the increases in costs caused by such greater convenience. It is the role of postal officials, at every level, to balance these inherent trade-offs. If they can identify opportunities to minimize costs, with no or very little impact on overall service, it is their responsibility to pursue such opportunities.

24. As a last note on this issue, the complaint once again fails to allow for the fact that the Postal Service performs extensive measurement of customer satisfaction on an ongoing basis, and monitors those results closely. The mere existence of such measurement efforts amply refutes the allegation that the Postal Service fails to afford the public with sufficient opportunities for customer input.

POM Provisions

25. As in a previous complaint initiated by Mr. Carlson, Docket No. C2001-1, one strategy employed in the instant complaint (in paragraphs 21-36) is to identify specific provisions of the Postal Operations Manual (POM), to allege that the Postal Service is not complying with those provisions, and then to rely on those allegations as proof that the Postal Service is failing to provide service in conformance with the policies of the Act. In fact, in Docket No. C2001-1, the complaint did not even bother to link the provisions of the POM with the policies of the Act, and merely rested on the assertion that the Postal Service was failing to comply with the POM. In the instant complaint, specifically paragraphs 25, 31-32, and 35-36, the complaint does go through the motions of purporting to link specific POM provisions with specific policies of the Act, and further alleges that failing to follow the specified provisions of the POM constitutes failure to meet the specified policies of the Act. Beyond presenting a complaint which at least superficially appears to try to meet the jurisdictional requirements of section 3662, however, the difference is largely devoid of substance. In both instances, Mr. Carlson is either implicitly or explicitly asserting that a failure to conform to the POM is tantamount to a failure to conform with the policies of the Act, and therefore necessarily worthy of Commission examination pursuant to section 3662. In both instances, Mr. Carlson fails to come to grips with the fact that the provisions of the POM are not necessarily commensurate with the policies of the Act.

26. In the instant complaint, Mr. Carlson actually goes beyond that view. In paragraph 26, he specifically claims that the Postal Service is required to seek an advisory opinion before changing a provision of the POM. In so doing, he appears to be

attempting to elevate the POM to the status of the Domestic Mail Classification Schedule (DMCS). The DMCS can only be changed following the request for a recommended decision from the Commission. That requirement, of course, is quite explicitly established by section 3623 of the Act. In contrast, the Act nowhere mentions the existence of the POM, and therefore could not possibly establish restrictions on the procedures by which it can be amended.

27. In Docket No. C2001-1, the Commission generally rejected Mr. Carlson's expansive views regarding the POM. See, Order No. 1307 (March 20, 2001) at 10-11, 14-15. The Commission stated that it "generally concurs with the Postal Service that various provisions of the POM may not necessarily rise to the level of interpreting or implementing a policy of the Act". *Id.* at 11. The Commission specifically found that Mr. Carlson's approach "does not account for the relationship between the Postal Service and the Commission" because the "POM is a Postal Service generated and maintained document" used internally to present information to postal employees. *Id.* at 14. The Commission concluded in Docket No. C2001-1 that, rather than focusing on the POM, a "more prudent focus would be on the sufficiency of the Postal Service's actual policies and practice." *Id.* at 15.

28. That conclusion is even more warranted in this case, for at least several reasons. First of all, as explained above in response to paragraph 21 of the complaint, there are a variety of provisions that come to bear in Chapter 3 of the POM regarding the placement and removal of collection boxes. Mr. Carlson's oversimplistic attempts to extract individual provisions and apply them in isolation is not consistent with the intent of the guidelines. Local officials blend their consideration of all relevant factors to

achieve results that best mesh with local conditions. As local circumstances evolve, the most effective means of meeting the needs of the local community are likely to change. In some instance, the impetus for change comes from community leaders coming forward with requests to refocus postal services. In other instances, the impetus comes from postal officials who have recognized that prevailing operations are no longer appropriate. On many occasions, operational refinements can be made without the public even noticing they have occurred. On other occasions, the magnitude of a change elicits customer feedback. The result can be a give-and-take exchange that seeks to address and balance the needs and concerns of all involved. In the context of these types of processes, however, individual internal guidelines in POM Chapter 3 cannot be taken out of context, elevated to the status of sacred writ, and viewed as establishing for a customer the absolute entitlements that Mr. Carlson wishes to attribute to them.

29. Perhaps more fundamentally, as the immediately preceding discussion suggests, the POM guidelines are developed for, and applied in the context of, local situations. In contrast, Rule 82 precludes from consideration complaints regarding localized service issues. As that rule makes clear, the focus of complaint cases is intended to be matters of policy on a substantially nationwide basis. Whether one wants to talk about the tens of thousands of collection boxes that have been removed, or the 300,000 plus collection boxes that remain, any attempt to assess compliance with individual POM guidelines on a case-by-case basis, as a means of reaching issues of nationwide policy, is guaranteed to be an exercise in futility. The ultimate issue is the adequacy and efficiency of service on a nationwide basis. As our society changes and

evolves, it is easy to envision hypothetical circumstances in which service could be in full accord with POM guidelines, and yet fundamentally inadequate and/or inefficient. Similarly, locally calibrated operations could hypothetically drift out of compliance with one or another POM guideline in many communities, and yet the resulting service could be amply adequate and efficient. As the Commission suggested in Docket No. C2001-1 (Order No. 1307 at 15), focusing on the POM may do little more than highlight inconsistencies between a postal document and actual postal practices, without shedding any useful light on the ultimate statutory issue of whether service is adequate and efficient.

30. In response to this complaint, there could be no justification for adopting a POM-based micro-level inquiry when, as noted above, information exists which goes right to the heart of the ultimate issue -- whether the Postal Service's customers are satisfied that their needs are being met. Even if Mr. Carlson could, hypothetically, somehow identify specific instances of deviations from pertinent POM guidelines (and his complaint includes nothing more than naked assertions that such deviations exist "in some communities" or "in some cities nationwide"), there would still be no meaningful basis to evaluate whether such hypothetical deviations have a material effect on the adequacy of service. Stated most directly, at the conclusion of the mode of analysis implicit in Mr. Carlson's favored approach, we still would not know who, other than Mr. Carlson, ultimately cares.

31. The Commission itself recently expressed the same sentiment at the conclusion of the full litigation of another of Mr. Carlson's complaints. In the report issued on November 5, 2002, at the conclusion of Docket No. C2001-1, the

Commission lamented the absence of an objective measure to gauge whether the needs of customers are being met. Commission Report, Docket No. C2001-1 (Nov. 5 2002) at 44-48. As the Commission noted, “[Mr. Carlson’s] views represent only one of millions of possible views.” *Id.* at 44. Even though Mr. Carlson had conducted lengthy discovery, in response to which the Postal Service had engaged in extensive and burdensome analyses to provide information on topics such as the number and locations of plants processing on individual holidays, and the volumes of so-called “stranded mail,” the Commission concluded that none of the information provided by the Postal Service and incorporated by Mr. Carlson into his testimony answered the ultimate issue of whether service was adequate. *Id.* at 46. Instead, the Commission recommended that the Postal Service survey its customers in order to determine whether service is adequate. *Id.* at 48. Since the Postal Service already complies with that recommendation in this instance, and is willing to provide the relevant survey responses under protective conditions, it is manifestly unnecessary to embark on a hearing process designed to elicit nothing more than the exact same types of information that the Commission found not to be useful in Docket No. C2001-1.

“General Allegations”

32. Near the end of the complaint, Mr. Carlson has inserted a list of “General Allegations” in paragraphs 44-50. The intended purpose of these paragraphs is unclear. To the extent that they are merely intended to reiterate legal conclusions based on specific allegations included earlier in the complaint, the Postal Service has already demonstrated why those earlier sections of the complaint do not support any such legal conclusions. To the extent that they are intended to present independent

allegations to be evaluated on their own merits, they are patently deficient. Each statement (with the possible exception of paragraph 49 regarding the Postal Service's primary motivation for the removal of collection boxes) is devoid of factual content, and totally conclusory. If the entire complaint consisted of nothing more than these types of allegations, the Commission would clearly be unable to proceed with a complaint based on a pleading so completely lacking in specificity and substance.

33. These allegations fail to raise an issue of national policy leading to the conclusion they present. For example, paragraphs 44-46 allude to alleged failures to provide some aspect of adequate service in "some communities and locations nationwide." If these allegations were instead couched in terms of a single specific community, it is clear that each of these allegations would run afoul of the exclusion of localized service matters under Rule 82, and would not constitute a viable complaint presenting an issue of nationwide policy. No challenge under these circumstances would have been expressed or implied regarding any national guideline, and there would likewise have been no implication that any national guideline had been changed. What would remain by default would be the implication that local officials in that community were simply failing to administer the national guidelines appropriately. If comparable types of issues were presented with regard to rates instead of service, the complaint would be construed to present an issue of rate application to a particular mailer, which is specifically excluded from the scope of Rule 82. The mere fact that these unsupported allegations are directed at "some communities and locations nationwide," as opposed to one specific community or location, does not change this analysis. There is still no articulated issue of national policy for the Commission to

evaluate.

34. To whatever extent anyone nonetheless wishes to deem the general subject matter of the “General Allegations” to be worthy of further consideration, the Postal Service once again notes that, on a nationwide basis, the allegations of deficient service are capable of being evaluated by reference to existing customer satisfaction measurements. Unless that information turns out to be strongly supportive of the complaint, conclusory views stated by a lone individual complainant cannot be sufficient to warrant further proceedings.

35. Although not specifically referenced in the “General Allegations” paragraphs of the complaint, it seems clear that the allegations in those paragraphs are implicitly premised on the allegation in paragraph 14 of the complaint, that collection boxes are the primary means by which customers deposit single-piece mail. As noted in response to paragraph 14 of the complaint, and additionally in paragraph 4 of the above Factual Background discussion, that premise is unfounded. A substantial majority of single-piece mail is deposited by modes other than through a collection box. This misconception on the part of Mr. Carlson necessarily clouds all of his allegations about collection service. Inflating the importance of collection boxes for providing customers access to outgoing mail service inevitably inflates suppositions regarding the nationwide impact of any change in the number of collection boxes. Mr. Carlson’s failure to appreciate both the breadth and the depth of the alternatives that constitute “collection service” beyond “collection *box* service” creates yet another fatal flaw in his “General Allegations.”

36. The Postal Service has already provided a lengthy denial to paragraph 49

of the complaint in the Answer portion above. Beyond the points made in that discussion, however, it bears noting here that, even if the goal of reducing costs were the Postal Service's primary motivation for removing most collection boxes, that circumstance would hardly constitute a violation of any policy of the Act, or in any way conceivable constitute a claim upon which relief could be granted.

Recommended Disposition of the Complaint

37. The facts and arguments stated above demonstrate that the complaint on its face fails to establish any reason to believe either that a nationwide or substantially nationwide change in service has been initiated that should have triggered the provisions of section 3661(b), or that the Postal Service is not providing adequate and efficient collection service. On that basis alone, the Commission would be justified in declining to exercise its discretion to hold hearings or otherwise entertain the complaint. To the extent that the Commission is not prepared to reach that conclusion merely on the basis of the complaint and the facts and arguments presented above, the Postal Service additionally has proprietary customer satisfaction survey research results that would be highly germane to both of the above allegations. The Postal Service is concurrently filing a motion for the establishment of protective conditions with regard to that material, which could then be provided for the Commission's consideration under such conditions. That information, plus the facts and arguments presented in this Answer, would provide the Commission with an even more ample basis to conclude that no hearings or further proceedings are necessary to determine whether the allegations in the complaint are justified or worthy of further consideration.

38. It is therefore the position of the Postal Service that no hearings should be

held, and this proceeding should be summarily terminated. The complaint overstates the role of collection boxes in allowing customers access to outgoing mail services, understates the high degree of public input routinely taken into consideration in collection box removal determinations, misstates the nature of the long-established guidelines which have been applied to remove collection boxes, and fails to present any material issue of nationwide policy. Allowing further proceedings based on the allegations in the complaint would result in nothing more than the needless expenditure of resources devoted to the development of testimony and evidence that, as the Commission found in Docket No. C2001-1, would utterly fail to have probative value on the fundamental question of adequacy of service. That question, however, along with the subsidiary question of whether or not any change in nationwide service has occurred, is much more beneficially addressed by proprietary customer survey research conducted on the Postal Service's behalf. Solely for the purposes of facilitating disposition of the complaint, the Postal Service is proposing to make the relevant material available under protective conditions.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux
Chief Counsel
Ratemaking

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2992/ FAX: -5402
December 20, 2002

Eric P. Koetting
Attorney



January 17, 2002

MANAGERS, OPERATIONS SUPPORT (AREA)
MANAGERS, DELIVERY PROGRAMS SUPPORT (AREA)

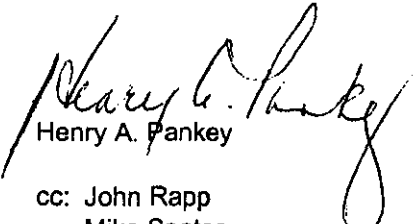
SUBJECT: Collection Box Management System (CBMS)

At the Area Vice Presidents' meeting in November, I gave a presentation entitled, "Delivery and Retail Activities Related to the Safety of Employees, Customers and Mail." As part of the presentation, we discussed the issue of possibly removing selected collection boxes or points because of their potential as an entry point for depositing hazardous materials. The question focused on whether boxes should be temporarily "plugged" or permanently removed, or a combination thereof, until a viable solution to preventing or minimizing a biological threat is determined. Given the fact the Collection Box Management System (CBMS) contains over 329,000 collection points, reducing the number of entry points does not necessarily reduce risk.

Each area was provided a copy of their respective CBMS profile along with the national profile. It was asked that each area analyze potential candidates for removal (residential, low density: 25 pieces per day minimum outlined in Postal Operations Manual). The Retail Marketing software package, which analyzes the density of access to mail deposit options for the customer, was mentioned as a helpful tool in the evaluations. In addition, we also asked that updated density studies of collection box volumes be conducted. Stratifying the densities from the current minimum of 25 pieces per day versus 50, 75, or 100 pieces, for example, will help assess the impact of removing boxes that don't meet possible changes in a revised minimum density.

You are being asked to conduct these studies and to lay out a contingency plan for removal or plugging boxes not meeting selected criteria, density, having excessive multiple access points in a small geographical area (retail marketing software), etc. Obviously, the boxes not meeting the current 25 piece daily minimum can be removed today with appropriate notice to the customers.

If there are any questions, please contact Phil Knoll, acting manager, Delivery Support, (202) 268-4332 or Doug Wynkoop, a member of his staff, on (202) 268-2463.



Henry A. Pankey

cc: John Rapp
Mike Spates
Paul Sullivan
Phil Knoll
Doug Wynkoop

CERTIFICATE OF SERVICE

I hereby certify that, in accordance with section 12 of the Rules of Practice, I have this day served the foregoing document upon:

Douglas F. Carlson
P.O. Box 1077
Santa Cruz CA 95061-1077

Eric P. Koetting

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2992/ FAX: -5402
December 20, 2002