

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

RETAIL ACCESS OPTIMIZATION INITIATIVE

Docket No. N2011-1

**DIRECT TESTIMONY OF**  
**JAMES J. BOLDT**  
**ON BEHALF OF**  
**UNITED STATES POSTAL SERVICE**  
**USPS-T-1**

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## Autobiographical Sketch

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2  
3 My name is James J Boldt. I serve as the National Manager, Customer  
4 Service Operations, in the Office of Delivery and Post Office Operations at Postal  
5 Service Headquarters. I have served in this capacity since May 2011. I  
6 previously served as the National Manager, Rural Delivery, also within the Office  
7 of Delivery and Post Office Operations at Postal Service Headquarters. As the  
8 Manager of Rural Delivery, I was in charge of policies and procedures for more  
9 than 75,000 rural routes nationally.

10 I began my employment with the Postal Service in 1984 as a mail handler in  
11 the Naperville, Illinois Post Office. In 1985, I became a clerk and performed clerk  
12 related duties. My career in postal management dates back to 1986, when I first  
13 served as a supervisor in various positions within the Postal Service's mail  
14 processing, delivery and retail operations groups. In April 1998, I was promoted  
15 to the level of Postmaster of a medium sized community that served  
16 approximately 30,000 residences and businesses. My second Postmaster  
17 assignment started in February 2002, when I was responsible for a large facility  
18 that employed more than 350 people and served a population of approximately  
19 140,000. Immediately prior to coming to Postal Headquarters, I served as the  
20 Manager, Operations Programs Support, for the Central Illinois District.

21 My office has the primary responsibility for developing polices and procedures  
22 related to: management of the day-to-day operations in Post Offices, the  
23 opening and closing of facilities, and the improvement of the customer  
24 experience when doing business with the Postal Service.

1 **I. Purpose and Scope of Testimony**

2

3 The purpose of my testimony is to explain the Retail Access Optimization  
4 (RAO) Initiative which could result in the discontinuance of operations at a yet  
5 undetermined number of Post Offices and subordinate stations and branches  
6 throughout the postal retail network. My testimony begins by describing the  
7 current state and trends in the postal retail network and summarizing alternate  
8 access channels through which postal products and services can be obtained.  
9 Next, my testimony explains the changes in the nature of postal services  
10 expected to be implemented if retail operations at specific facilities are  
11 discontinued as a result of the RAO Initiative. Those service changes form the  
12 basis for the Request in this docket. Then, I describe the general process for  
13 discontinuing retail operations at Post Offices, stations and branches. I discuss  
14 the factors that postal management is employing under this Initiative to identify  
15 retail facilities to consider for discontinuance, and the criteria that will be  
16 reviewed in making final facility-specific decisions. Finally, I indicate the expected  
17 timelines for decision-making and implementation of service changes.

18 The following USPS Library References are associated with my testimony:

19 N2011-1/1, N2011-1/2, N2011-1/NP1, and N2011-1/NP2.

1 **II. The Postal Retail Network Must Evolve**

2 Before explaining why the Postal Service is reviewing its retail network and  
3 how it intends to effect change, it is important that I summarize the nature of the  
4 network and the alternate access channels through which customers can obtain  
5 postal products and services.

6 A. Overview of the Current Postal Retail Network

7 Post Offices consist of administrative units of the Postal Service, each of  
8 which has primary responsibility for collection, delivery, and retail operations in a  
9 geographic service area consisting of one or more specified 5-digit ZIP Code  
10 areas. The operations of a Post Office may be supplemented by the  
11 establishment of subordinate stations and branches within its service area.<sup>1</sup>

12 Customer transactions at Post Offices and subordinate retail units include the  
13 purchase of stamps, money orders, and special services, such as Certified Mail,  
14 Registered Mail, and Insurance; the calculation and purchase of proper postage  
15 through weighing and rating of mail pieces; and the retrieval of mail delivered to  
16 Post Office boxes. There are currently approximately 26,700 Post Offices in the  
17 postal retail network. These Post Offices are complemented by just over 4,800  
18 subordinate stations and branches, along with a few non-personnel units.<sup>2</sup> The  
19 Postal Service's retail network dwarfs those of even the largest corporate retail

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<sup>1</sup> Some retail stations may be referenced locally as retail "annexes." Accordingly, this latter designation will refer to some stations covered by this Initiative.

<sup>2</sup> A non-personnel unit is a small nonstaffed facility that is served by a rural carrier in quarters provided by a contractor. On a self-service basis, customers may deposit outgoing mail, purchase postage stamps, and have mail delivered to a Post Office box or secure parcel locker. The serving rural carrier is required to remain at the unit for at least 15 minutes each delivery day at a consistent time to provide other services such as the sale of postal money orders or special services in conjunction with mail being presented for acceptance.

1 chains in the United States. The Postal Service operates as many full-service  
2 retail facilities in the United States as Starbucks, McDonalds, Seven-Eleven, and  
3 UPS Stores combined.

4 The Postal Service classifies Post Offices as either full-time or part-time.  
5 Full-time Post Offices are usually scheduled to be open six days per week. Like  
6 full-time Post Offices, part-time offices are usually open for business six days per  
7 week, but their daily retail hours depend on the earned workload<sup>3</sup> of the facility,  
8 as evaluated periodically. Part-time Post Offices are classified on the basis of  
9 the earned workload of each facility as indicated below.<sup>4</sup>

EAS-51	2 hours per day <sup>10</sup>
EAS-52	3 hours per day
EAS-53	4 hours per day
EAS-54	5 hours per day
EAS-55	6 hours per day

11

12 Subordinate retail units, including stations, branches, and retail annexes,  
13 report to a Postmaster and may operate under the supervision of postal EAS<sup>5</sup>  
14 personnel. These facilities generally offer services six days a week.

#### 15 B. Alternate Access Channels

16 Operation of the almost 31,500 postal retail locations referenced above  
17 coincides with the existence of numerous convenient alternate access retail

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<sup>3</sup> As used in my testimony, earned workload reflects a combined value for the mail distribution, Post Office Box delivery and retail window service activity at a facility.

<sup>4</sup> USPS Administrative Support Manual 122.21. (May 19, 2011).

<sup>5</sup> Executive and Administrative Schedule.

1 options. These alternate access channels include nearly 62,650 private retail  
2 stores that sell postage stamps on consignment; 4,300 businesses that operate  
3 as Approved Shippers and accept packages and other matter for mailing; the  
4 Postal Service's public website -- [www.usps.com](http://www.usps.com) -- which offers various postal  
5 products and services; rural delivery carriers who provide retail products and  
6 services; and approximately 2,500 Automated Postal Centers, virtually all of  
7 which are located in postal retail lobbies and many of which are accessible after  
8 regular retail window service hours. In addition, postal customers can arrange by  
9 mail, fax and telephone to have postage stamps and shipping supplies delivered.  
10 Where rural or Highway Contract Route delivery is provided, customers have the  
11 option of carrier pickup of letters and packages at a delivery point.

12 As the Post Office's role in the postal retail network has diminished, other  
13 aspects of the postal retail network have become more important. For example,  
14 alternate retail access channels have proven increasingly popular with postal  
15 customers, now accounting for approximately thirty-five percent of retail revenue  
16 and trending upward. Awareness of these general trends and a desire to  
17 continue to improve customer convenience in terms of accessing its products  
18 and services has compelled the Postal Service to reconsider the composition of  
19 its retail network, leading to the creation of a wide range of options that expand  
20 retail service beyond Post Offices, stations, and branches.

21 Today, the most popular alternate access option is the Postal Service's  
22 website, [www.usps.com](http://www.usps.com). Others include Automated Postal Centers (APCs),

1 contract postal units,<sup>6</sup> the consignment sale of stamps by grocery stores and  
2 other private retail outlets, non-personnel units, detached box units, cluster box  
3 units, rural carriers, smart phone applications, and carrier pickup of letters and  
4 packages at a delivery point. Using the Postal Service's website, postal  
5 customers can schedule carrier pickup, order shipping supplies, purchase  
6 stamps and philatelic items, request redelivery of missed packages or other mail  
7 pieces, and use Click-N-Ship® to calculate postage and print shipping labels.  
8 By engaging Carrier Pickup service, customers arrange for postal carriers to pick  
9 up outgoing packages and other mail at their homes or businesses. Stamps and  
10 other postal products can be ordered by mail or telephone for delivery to a  
11 customer's address. In some locations, customers execute postal transactions  
12 using Automated Postal Centers (APCs), which offer a self-service option with  
13 more convenient access: in some cases, up to twenty-four hours a day. For  
14 postal customers who insist on in-person transactions, contractor-operated retail  
15 locations are available, including Community Post Offices, Contract Postal Units,  
16 Village Post Offices, and stamp consignment sites. Customers often experience  
17 additional benefits from utilizing contractor-operated retail locations, as these  
18 locations generally have expanded hours of operation, greater access to parking  
19 or public transportation, and either operate from or are located in close proximity  
20 to retail stores and other establishments regularly frequented by postal  
21 customers.

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<sup>6</sup> Contract postal units are usually privately owned and operated retail businesses that, under contract to the Postal Service, conduct many retail window transactions ordinarily available at Post Offices.

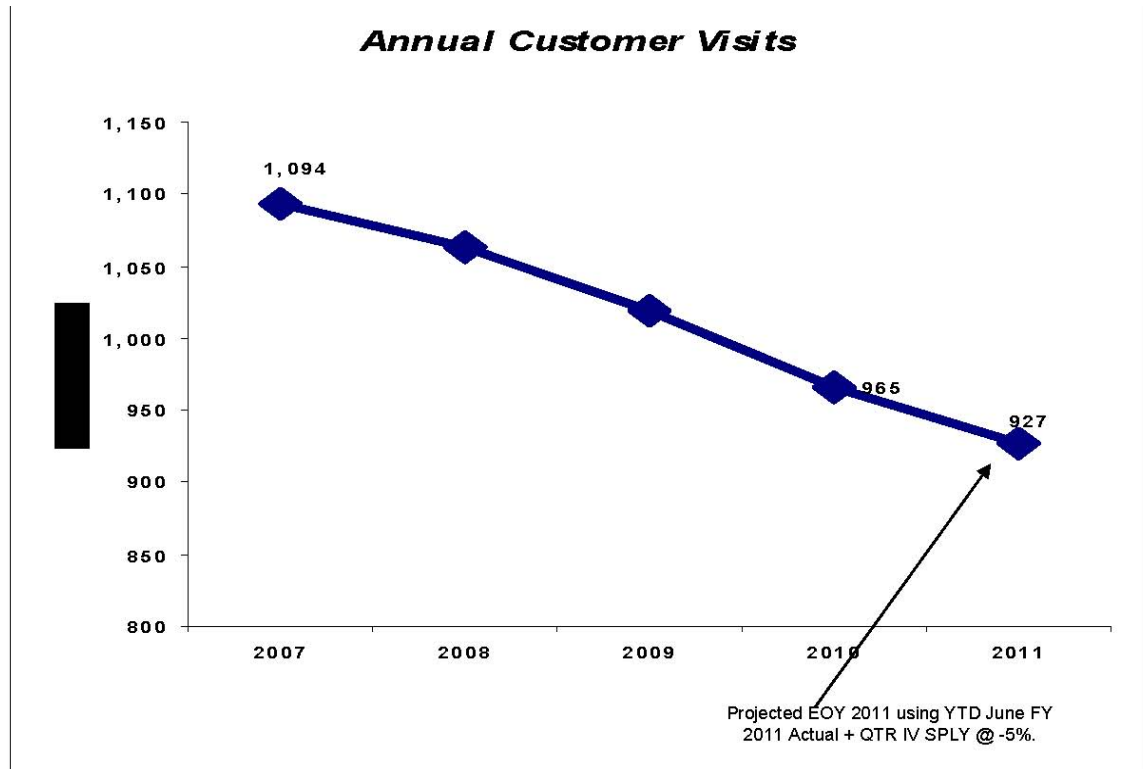


1 Collectively, these alternatives extend, facilitate, and expedite customer  
2 access to postal retail transactions that once required a visit to a retail window in  
3 a Post Office, station, or branch.

4 C. Postal Customer Behavior Is Changing

5 Customer behavior is also changing. With advances in technology and  
6 other product innovations, customers are choosing alternatives to traditional  
7 brick-and-mortar retail facilities when possible and instead are attracted to  
8 other channels developed by the Postal Service. This is illustrated in Table 1  
9 below. Year after year, customer visits to USPS Point of Sale (POS)  
10 locations are decreasing rapidly.

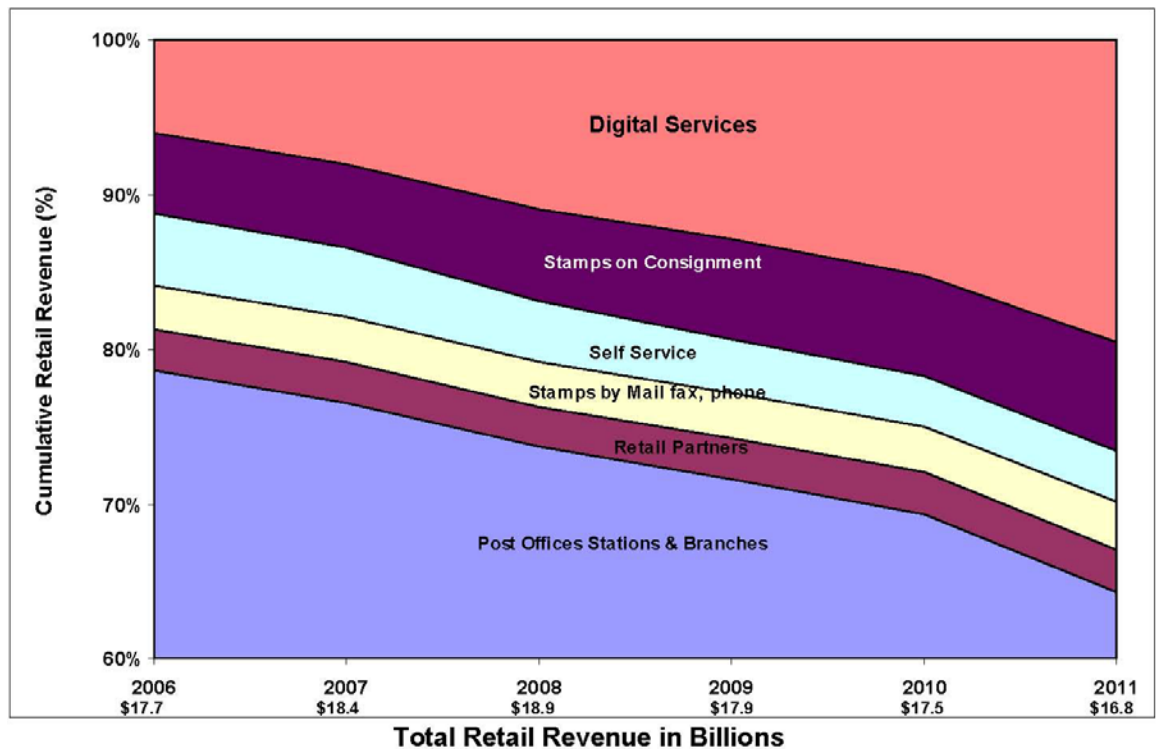
11 Table 1: Annual Customer Visits at USPS Point of Sale (POS) Locations



12  
13 Source: Enterprise Data Warehouse/Retail Data Mart/RDM Flash.  
14

1 The extent of this reduction in customer visits is not equal in scope to the  
 2 decrease in the use of postal services, however. As demonstrated in Table 2  
 3 below, the share of postal retail revenue attributable to brick-and-mortar retail  
 4 locations has decreased, while the shares of postal retail revenue attributable to  
 5 other sources -- most notably digital services, stamps on consignment, and self-  
 6 service -- has increased.

7 Table 2: Proportion of Retail Revenue



8

9 Source: USPS Enterprise Data Warehouse/Accounting Data Mart (EDW/ADM) – Includes retail  
 10 revenue from all channels and all technologies including Point of Service, Integrated Retail  
 11 Terminal, Electronic Money Order Voucher System, Small Post Office Reporting Tool, and manual  
 12 reporting.

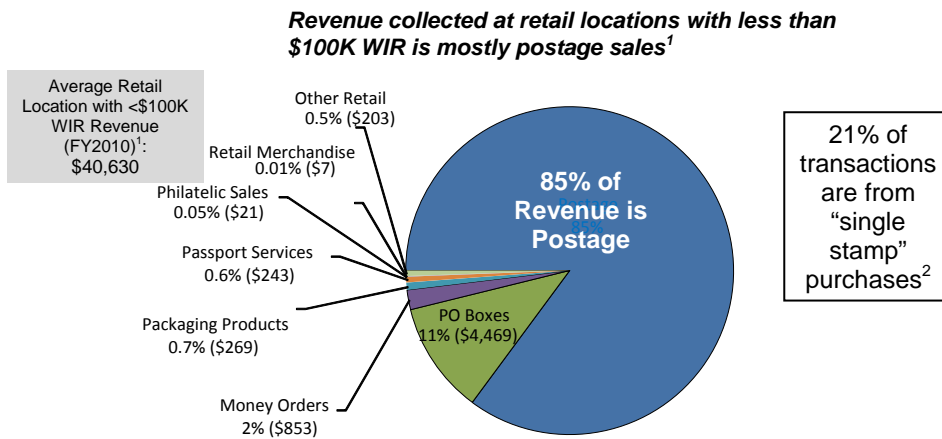
13

14 The data in Table 2 above show the diminishing role of brick-and-mortar retail  
 15 facilities in the postal retail network. For postal retail facilities identified in Table 3  
 16 below, approximately 85 percent of postal retail revenue is generated from the

1 sale of postage which can be obtained through a variety of alternate access  
2 channels.

3

4 Table 3: Revenue Collected at Retail Locations with Walk in Revenue Less than \$100k Is Predominantly Postage Sales



For purposes of my testimony, the term "retail locations" includes Post Offices, stations, branches, retail annexes, and Contract Postal Units.

<sup>1</sup> Source: Sample of 748 retail locations with revenue <\$100K from ADM and RDM.

<sup>2</sup> "Single Stamp" transactions include purchases of single stamps, multiple stamps, or sheets of stamps, but exclude stamp books or coils.

Source: Basket analysis of 12 months of transactions for a sample of 481 retail locations with revenue <\$100K using USPS Point of Sale (POS) data (Feb, 2010-Jan, 2011 transaction data).

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6

7 "Single stamp transaction" includes sales of single stamps, multiple stamps,  
8 or sheets of stamps, but excludes stamp books or coils for retail locations with  
9 annual walk-in revenue of less than \$100,000.

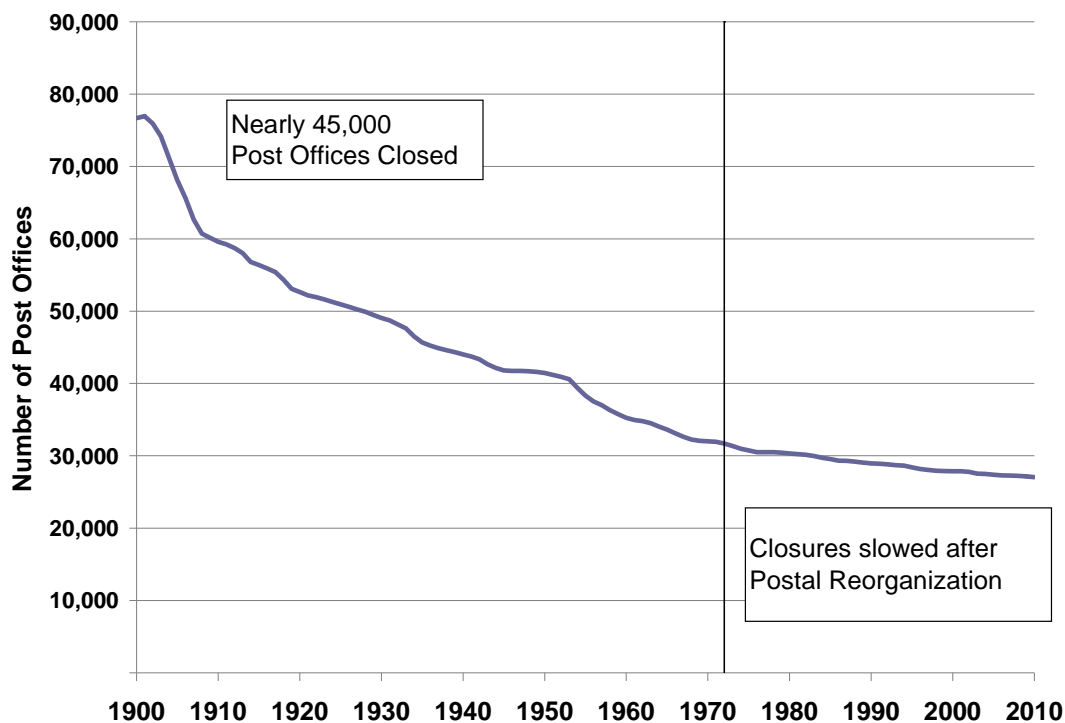
10 As customers continue to embrace alternate access channels, all other things  
11 equal, it is likely that the proportion of overall postal retail revenue generated at  
12 Postal Service-operated retail units will continue to diminish in the future. Such a  
13 trend should be viewed as the fruits of long-standing postal management efforts

1 to make postal products and services conveniently available in locations at or  
2 near where its increasingly mobile customer base resides, works and shops. It is  
3 also consistent with the 2006 Congressional mandate to expand and market a  
4 variety of alternate retail access channels. An understanding of the variety of  
5 options for alternate access to postal products and services helps to provide an  
6 understanding of the context and justification for the RAO Initiative.

1 D. Retail Network Scope Should Be Viewed In Context

2 Although the present Postal Service network surpasses other retail networks  
3 in terms of size, it contains far fewer Post Offices than it did during earlier periods  
4 in history. Table 4 below reveals that the current Postal Service retail network  
5 has fewer than half the number of Post Offices than it had a century ago.<sup>7</sup> For  
6 much of the intervening period, the Postal Service decreased the number of Post  
7 Offices despite the increases in population and mail volume that occurred over  
8 the same period.

9 Table 4: Number of Post Offices, 1900-2010



10

11 Because of such factors as local variations in population density, regional  
12 shifts in population, level of postal retail traffic, availability of brick-and-mortar  
13 alternate access channels and transportation accessibility, decisions regarding

<sup>7</sup> See U.S. Postal Service Office of Inspector General, Risk Analysis Research Center, *Barriers to Retail Network Optimization*, RARC-WP-11-005 (June 9, 2011) at 3.

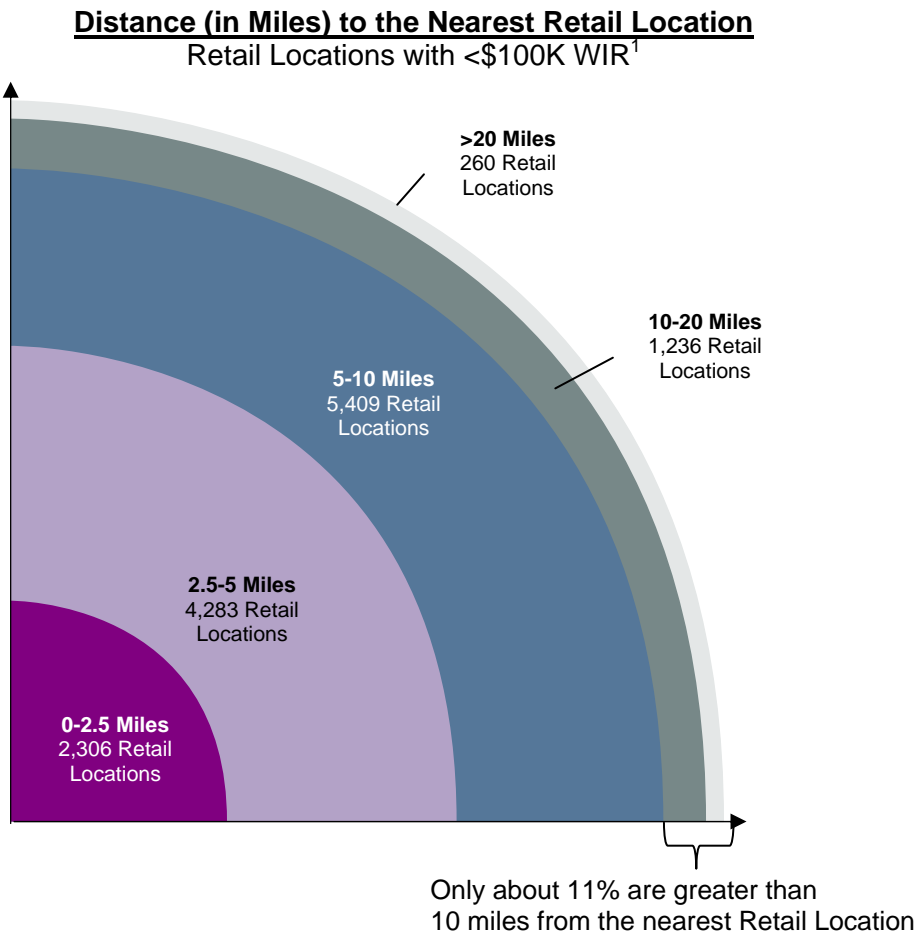
1 the establishment or discontinuance of postal retail facilities are made on the  
2 basis of factors applied on a case-by-case basis to each specific facility and its  
3 service area. That is as it should be. Still, certain information is useful in  
4 developing a general understanding of the postal retail network as a whole.

5 For instance, it is worth noting that retail locations with annual walk-in  
6 revenue of less than the relatively low figure of \$100,000 generally tend not to be  
7 as geographically isolated as some might assume. Table 5 below is based on  
8 data for 13,494 retail locations for which latitude and longitude data were  
9 available. It shows that roughly 90 percent of such retail locations are located  
10 within ten miles of the nearest retail location, and nearly half are within five miles.  
11 Without downplaying the needs of persons who have especially limited mobility,  
12 means, or access to transportation, that level of proximity to another retail facility  
13 generally could be viewed as assuring the availability of a reasonably accessible  
14 postal location that offers the desired postal products and services if a more  
15 conveniently-located retail location is discontinued, or if alternate access  
16 channels are unappealing. Customers of approximately 50 percent of retail  
17 locations with annual walk-in revenue of less than \$100,000 would need to travel  
18 fewer than five miles to visit a nearby retail location in the event of a  
19 discontinuance of a local retail location with annual walk-in revenue of less than  
20 \$100,000. Although Table 5 suggests that customers of approximately ten  
21 percent of retail locations with annual walk-in revenue of less than \$100,000  
22 might need to travel more than ten additional miles in the event of a local retail  
23 location discontinuance, except in the most extreme cases, many of these

1 customers could avail themselves of one or more of the alternate postal retail  
2 access options described above in subsection II.B. In addition, given changes in  
3 many communities, it is likely that these customers already travel outside their  
4 local community to purchase other goods and services and conduct other  
5 activities of daily living.

6

Table 5: Distance Chart



7

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9

Proximity to the nearest Post Office is based off of geographic coordinate distance, rather than driving distance.

10

1 **III. The Scope and Objectives of the Retail Access Optimization Initiative**

2 A. Impetus for the Initiative

3 In light of the widespread access to alternative sources for obtaining postal  
4 services, it is incumbent upon the Postal Service to review its physical retail  
5 network to determine if reasonable opportunities exist for making the network  
6 more efficient and customer access more convenient, while continuing to provide  
7 adequate access to its products and services. In recent years, precipitous  
8 declines in mail volume have contributed to the severe financial duress under  
9 which the Postal Service has been operating, and which is projected to continue.  
10 Such circumstances exert additional pressure on postal management to pay  
11 careful attention to its responsibility to efficiently provide service that meets its  
12 obligations to the public. While there are standard procedures for local postal  
13 management to analyze opportunities to improve efficiency of postal retail  
14 operations on an isolated, facility-specific basis, there also is the option for senior  
15 management to establish criteria for the conduct of such facility-specific  
16 examinations on a systemwide basis.<sup>8</sup>

17 The RAO Initiative reflects a determination by senior management to exercise  
18 this latter option. It should be emphasized that postal management is not  
19 pursuing the RAO Initiative in order to achieve any predetermined operating cost  
20 savings target in the postal retail network.

21  
22  

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<sup>8</sup> A recent example is the Station and Branch Optimization and Consolidation (SBOC) initiative reviewed by the Commission in PRC Docket No. N2009-1.



1 B. Scope of the RAO Initiative

2 The RAO Initiative consists of a Headquarters-initiated review of Post Offices  
3 and subordinate stations and branches through examination of factors evaluated  
4 in a centralized and coordinated manner. This Initiative is organized to examine  
5 the feasibility of discontinuing operations at Post Offices, stations and branches  
6 within the retail network. The RAO Initiative could result in a change in the  
7 nature of postal services, to the extent that postal retail operations are  
8 discontinued at some locations, resulting in customers formerly served at those  
9 locations having to visit other postal facilities or utilize available alternate retail  
10 access channels to obtain postal products and services. The categories of retail  
11 facilities within the scope of this Initiative and that comprise the candidate pool of  
12 Post Offices, stations and branches subject to discontinuance feasibility review  
13 are described below. Approximately 3,650 candidate facilities will be examined.<sup>9</sup>  
14 Although the categories below are described separately, no priority or sequence  
15 of categories should be implied. The review process will be applied to all  
16 categories simultaneously.

17 1. Low workload Post Offices.

18 One category of Post Offices to be examined is comprised of those that  
19 have low workload. In support of this Initiative, the Postal Service has examined  
20 earned workload data for each of its retail facilities and has identified all Post

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<sup>9</sup> It should be emphasized that this number represents a theoretical maximum number of facilities that could be discontinued. However, it is a virtual certainty that the review process will not lead to all of them being discontinued, but it is premature to estimate the number that either will be closed or is likely to be closed when the Initiative has run its course.

1 Offices for which earned workload<sup>10</sup> amounted to less than two hours per day  
2 and annual revenue was no greater than \$27,500.<sup>11</sup> Over 2,800 candidate  
3 offices were identified using data collected from the Small Office Variance tool  
4 and based on data for a 52-week period ending in July 2011.

5 The Small Office Variance (SOV) tool was implemented nationally in FY  
6 2009 for operations in Cost Ascertainment Group (CAG) H to L offices. SOV  
7 integrates locally reported unit workload from national data systems into the tool.  
8 Sample inputs that relate to earned workload reported in SOV are submitted  
9 manually and through automated methods. For example, time for collections is  
10 used to assess earned workload and is submitted manually, and Post Office Box  
11 letter sized mail is used to assess earned workload and is submitted using  
12 automated methods. Nationally established standardized target productivity  
13 goals for various operations are applied to each unit's workload to calculate  
14 earned workhours. As an example, national productivity for walling Post Office  
15 Box letter sized mail is 5.56 feet per hour.<sup>12</sup>

16 In applying its earned workload data, the Postal Service established a two-  
17 hour earned workload minimum, which is the number of hours per day that the

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<sup>10</sup> As used in my testimony, earned workload reflects a combined value for the mail distribution, Post Office Box delivery and retail window service activity at a facility.

<sup>11</sup> A \$10,000 annual revenue threshold was applied to Alaskan Post Offices.

<sup>12</sup> Many of the nationally established target productivities can be traced back to 1993 in the Workload/Workhour Equalization Program. The factors used at that time were developed by averaging data received from Postmasters. The establishment of factors provided consistency when evaluating Post Office workload. Since that time, the use of time factors has been carried forward into later models such as Automated Workforce Projection System (AWPS) and its successor, SOV. As operational advancements have been made, the models and the time factors have been changed to reflect recent time studies and updated data averages.

1 lowest EAS grade Post Offices are open for retail business. Management  
2 believes that it can evaluate the efficiency of its operations by initiating  
3 discontinuance studies for these low workload Post Offices.

4 2. Stations and branches with insufficient demand  
5 and available alternate access.

6  
7 A second category being examined consists of stations and branches  
8 identified as having insufficient demand and available alternate access. This  
9 category is comprised of more than 380 stations and branches that earned  
10 revenue of less than \$600,000 in FY 2010, had less revenue in FY 2010 as  
11 compared to the average of the annual revenue earned in FY 2008 and FY 2009,  
12 and are located within two miles of at least five alternate access sites.<sup>13</sup>

13 3. Retail annexes with insufficient demand and available alternate access.

14 A third category of facilities impacted by the RAO Initiative consists of retail  
15 annexes that had revenue of less than one million dollars in FY 2010 and are  
16 located within a half mile of at least five alternate access sites. Retail annexes  
17 are stations that offer retail services but do not house delivery operations.<sup>14</sup> The  
18 RAO Initiative includes almost 180 retail annexes.

19 4. Pending discontinuance actions awaiting public input.

20 A final category consists of more than 260 Post Offices, stations and  
21 branches that were undergoing discontinuance review at the time of the Postal

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<sup>13</sup> For this purpose, alternate access sites include nearby postal facilities, Contract Postal Units, Approved Shippers, and stamp consignment locations.

<sup>14</sup> *Id.*

1 Service's recent amendment to its retail facility closing regulations,<sup>15</sup> but had not  
2 advanced to the community meeting stage of the discontinuance process. This  
3 category of facilities includes Post Offices that were undergoing locally-initiated  
4 discontinuance study under the USPS Handbook PO-101 as it existed prior to  
5 July 8, 2011. For Post Offices, this consists of Post Offices studied for reasons  
6 specified in the prior version of the USPS Handbook PO-101, for instance, in the  
7 event of a postmaster vacancy or office suspension. The rationale for expanding  
8 the RAO "umbrella" to include these locally-initiated "non-RAO" discontinuance  
9 candidates is two-fold. It simplifies the administration of all discontinuance  
10 activity in the field moving forward -- whether RAO initiated or not -- by applying a  
11 unitary set of notice and comment procedures to any discontinuance review  
12 activity that has not yet proceeded to the community meeting stage of the review  
13 process. It also should produce the benefit of minimizing the public confusion  
14 that would result from continuing to apply the old public notice and comment  
15 procedures to "non-RAO" facilities at the same time that the new July 14, 2011  
16 public notice and comment procedures are being applied to the RAO Initiative  
17 categories described above.

#### 18 C. The Revised USPS Handbook PO-101 Will Be Used

19 The process for discontinuing an independent Post Office or a subordinate  
20 station or branch, either closing it permanently or consolidating it, is described in  
21 the USPS Handbook PO-101. Through a recently promulgated final rule, the  
22 Postal Service modified its Post Office discontinuance procedures with respect to

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<sup>15</sup> These changes are discussed in the USPS Request at page 6.

1 the identification of candidate offices, evaluation factors, process management,  
2 and the treatment of subordinate retail units. With respect to the initiation of the  
3 study process, the new rule<sup>16</sup> allows Postal Service Headquarters management  
4 to identify candidate offices for initial feasibility studies, and describes the factors  
5 for management to consider when selecting particular offices. The factors  
6 include postmaster vacancies, suspensions, earned workload below the  
7 minimum established level for the lowest non-bargaining (EAS) employee grade,  
8 insufficient customer demand, and the availability of alternate access channels.

9 In addition to altering the process for initiating a Post Office discontinuance,  
10 the revised regulations aim to standardize and otherwise improve the  
11 administration and management of the discontinuance process. The  
12 discontinuance process will become more efficient as a result of the new  
13 changes, which include the removal of waiting periods and other steps required  
14 at the end of the discontinuance process, the elimination of requirements for  
15 internal hardcopy document circulation periods, and the increased use of internal  
16 web-based data sources. Finally, the new rule addresses some internal and  
17 public confusion concerning the postal retail facility discontinuance process by  
18 harmonizing time periods and procedures for discontinuance of Postal Service-  
19 operated stations and branches with those for discontinuance of Post Offices.

20 As an example of the use of web-based data sources referenced above, the  
21 Postal Service incorporated the Change Suspension Discontinuance Center  
22 (CSDC) program into its process for selecting candidate retail facilities for

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<sup>16</sup> This is consistent with the approach taken in the Station and Branch Optimization and Consolidation Initiative reviewed in PRC Docket No. N2009-1.

1 discontinuance study. The CSDC program contains the closing and  
2 consolidation process for Postal Service-operated retail facilities, and applies the  
3 procedures and guidelines prescribed in the USPS Handbook PO-101. The  
4 CSDC program streamlines and improves the overall discontinuance process,  
5 with specific goals of improving the standardization and tracking of retail facility  
6 closures and consolidations, and providing greater transparency over  
7 discontinuance activities.

8 In practice, after candidate Post Offices, stations, and branches for  
9 discontinuance study are identified, local personnel conduct a feasibility study of  
10 each office in conformance with Handbook PO-101. In an effort to confirm the  
11 thoroughness and accuracy of their study, local personnel seek customer input  
12 by sending questionnaires to delivery customers and making them available to  
13 walk-in retail customers. The Postal Service is working to have questionnaires  
14 available on line in the near future. In almost all instances, responsible  
15 personnel hold community meetings to discuss the potential discontinuances.<sup>17</sup>  
16 The feedback obtained from the questionnaires and the community meeting  
17 informs the analysis reflected in the feasibility study, which is used to determine  
18 whether candidate offices should advance to the next step in the discontinuance  
19 process.

20 If after a review of the available data and notice to the community the Postal  
21 Service makes a preliminary determination to propose discontinuance of a Post  
22 Office, station or branch, the public receives formal notice of the Postal Service's

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<sup>17</sup> Under the revised regulations, a community meeting is required at either the initial feasibility study stage or the post-proposal stage, except where high-level management has instructed otherwise because it would be infeasible to hold a community meeting.

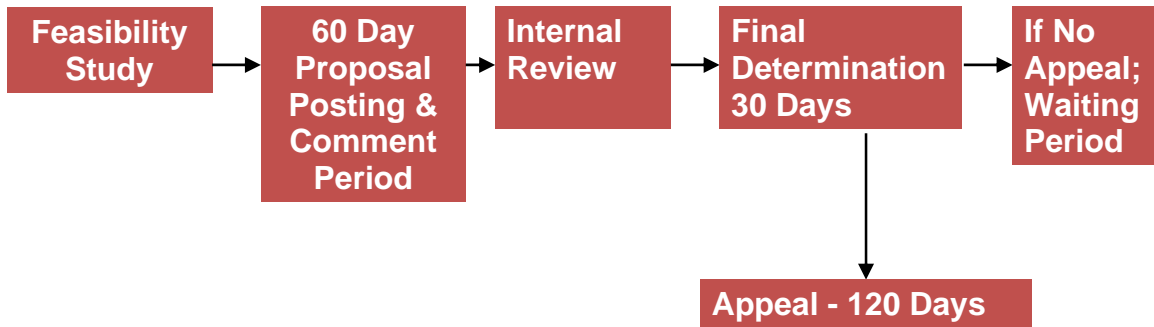
1 intention to discontinue a Post Office, station, or branch through the posting of a  
2 proposal. The proposal is posted in the Post Office, station, or branch  
3 considered for discontinuance, as well as at other affected facilities. When a  
4 proposal is posted, local personnel also post a notice soliciting comments. The  
5 general contents of a proposal include discussions of community postal needs,  
6 the effect on the community, the effect on employees, and economic savings.

7 In many cases, customers submit comments using prescribed forms. Other  
8 customers transmit comments in the form of correspondence. This information is  
9 used to assess the proposal for discontinuance. After the conclusion of the 60-  
10 day proposal posting period, management considers the comments, along with  
11 any other available information, and decides whether to recommend  
12 discontinuance. This recommendation is reviewed by both field and  
13 Headquarters management. If Headquarters concurs, then a final determination  
14 is posted for a 30-day period. Customers served by a Post Office have 30 days  
15 from the date of posting to appeal the final determination to the Postal Regulatory  
16 Commission. An additional 30-day waiting period will occur subsequent to the  
17 posting of the final determination, unless an appeal is timely filed with the Postal  
18 Regulatory Commission.

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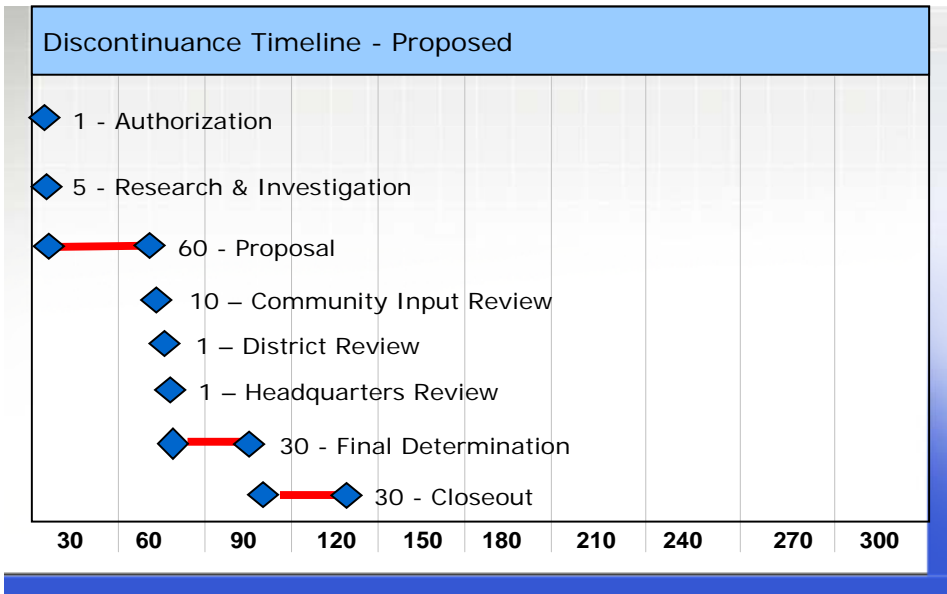
These processes are illustrated in the process flow below.



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Beginning with the reissuance of new Handbook PO-101 on July 14, 2011, management has developed an expected timeline. Management estimates that in normal circumstances, a discontinuance study may be concluded in 138 days, including the posting period and subsequent waiting period after the posting of a final determination, assuming that no appeal to the Postal Regulatory Commission is received. This is summarized in the table below.





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2 D. Application of the Handbook PO-101 to the RAO Initiative

3 Once Headquarters compiled a list of Post Offices and subordinate retail units  
 4 that met any of criteria described above, field management was advised on July  
 5 26, 2011 to begin<sup>18</sup> feasibility studies of the identified Post Offices and  
 6 subordinate retail units. A comprehensive list of these retail facilities appears in  
 7 USPS Library Reference N2011-1/2. Accordingly, consistent with revised USPS  
 8 Handbook PO-101, field managers throughout the country are engaged in RAO  
 9 Initiative related activity, collecting information about candidate retail facilities in  
 10 accordance with the procedures described above. We anticipate that this  
 11 process will continue to be initiated by field personnel on a rolling basis over a  
 12 period of at least ten weeks.

<sup>18</sup> Or to resume existing studies in the case of the facilities described above in III.B.4.

1       Of those retail facilities initially identified for feasibility studies, a subset will  
2 progress to the posting of proposals. Upon the receipt of public input on the  
3 proposals and further study, local management will determine which retail  
4 facilities should be recommended for discontinuance. Where applicable, final  
5 determinations will be posted in Post Offices, stations, and branches beginning in  
6 late October, 2011. Consistent with the USPS Handbook PO-101, these final  
7 determinations will be posted for 30 days, and these posting periods will be  
8 followed by 30 day waiting periods. Accordingly, any resulting change in service  
9 at affected Post Offices, stations, and branches selected for discontinuance will  
10 occur no earlier than December 2011, which is more than 138 days after the date  
11 of the Request in this docket. As field management processes each  
12 discontinuance action, closings will continue from that point forward on a rolling  
13 basis.

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