

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Nanci E. Langley, Vice Chairman;
Mark Acton;
Tony Hammond; and
Robert G. Taub

Post Office Structure Plan

Docket No. N2012-2

NOTICE AND ORDER CONCERNING THE POSTAL
SERVICE'S REQUEST FOR AN ADVISORY OPINION
ON ITS POST OFFICE STRUCTURE PLAN

(Issued May 31, 2012)

On May 25, 2012, the Postal Service filed a request with the Commission for an advisory opinion under 39 U.S.C. 3661 regarding its Post Office Structure Plan (POStPlan) under which it intends to examine and consider changes to operating methods and conditions, including hours of operation used to provide retail and other services and products at approximately 17,700 of the more than 32,000 postal retail locations.¹

¹ United States Postal Service Request for an Advisory Opinion on Changes in the Nature of Postal Services, May 25, 2012, at 1 (Request).

The Postal Service states that under the POSTPlan there is a “possibility that the scope of the changes in service...could be ‘substantially nationwide,’ within the meaning of 39 U.S.C. § 3661(b).” *Id.* at 2. The Postal Service states that if it determines that retail operations at facilities should be discontinued, postal patrons would have to obtain services at a different postal facility or through alternate access channels. *Id.*

The Postal Service has identified the POSTPlan as having the potential to change service nationwide and has asked for a Commission advisory opinion. Under these circumstances, the Commission shall provide an opportunity for a hearing on the record and provide a written opinion on the POSTPlan. 39 U.S.C. 3661(c).

Request. The Request is accompanied by testimony from one witness, Jeffrey C. Day (USPS-T-1), and five library references.²

Witness Day, Manager, Retail Operations, in the Office of Delivery and Post Office Operations at Postal Service Headquarters states that he has primary responsibility for developing policies and procedures relating to the day-to-day operations of post offices, opening or closing of retail facilities, and improving the customer experience. USPS-T-1 at i.

In his testimony, witness Day describes the current state of the Postal Service’s retail network and recent trends in customer behavior. *Id.* at 2-5. He then compares the retail access and services offered by the Postal Service with actual retail activity. *Id.* at 5-9. The testimony describes the POSTPlan as a Headquarters-initiated review of all EAS Level 16 or below post offices by examining workload. *Id.* at 11. Witness Day explains that approximately 17,700 post offices will be examined under the POSTPlan.³ *Id.* Those post offices with an Adjusted Earned Workload (AEWL) for FY2011 greater than 5.74 hours will be categorized as EAS Level 18 or above. *Id.* at 12. Those post

² See Notice of United States Postal Service of Filing of Initial Library References, May 25, 2012, identifying and describing the library references filed in support of the Postal Service’s direct case.

³ The post offices examined under the POSTPlan include all 17,728 EAS Level 16 or below post offices that were operational as of the end of FY2011. Witness Day explains that this number includes post offices that have been suspended or become non-operational since the close of FY2011, but that those post offices will not be part of the POSTPlan. USPS-T-1 at 1 n.1.

offices with an AEWL of 5.74 hours or fewer will be categorized as either Remotely Managed Post Offices (RMPOs) or Part-Time Post Offices (PTPOs). *Id.* at 11.

Witness Day states that RMPOs will be subject to realigned weekday window service of 2, 4, or 6 hours per weekday, depending upon workload. *Id.* at 12-13. He explains that RMPOs realigned with 6 window service hours will be staffed by a career employee, and RMPOs realigned with 2 or 4 window service hours will be staffed by a non-career employee. He notes that RMPOs will report to and be managed by a postmaster located at a designated Administrative Post Office (APO). *Id.* at 13.

Witness Day states that those post offices that would otherwise qualify as RMPOs will be classified as PTPOs if (1) the post office is 25 or more driving miles from the nearest post office or (2) the post office is outside a 25-mile radius of the nearest APO. He explains that PTPOs will be staffed by a career employee for 6 hours of window service each weekday, regardless of workload, and will report to a district office rather than an APO. *Id.* at 13-14.

Witness Day also states that the Postal Service generally will not study for discontinuance post offices that are part of the POSTPlan “unless the community has a strong preference for discontinuance...” *Id.* at 15. For post offices currently being studied for discontinuance, the Postal Service will hold the discontinuance process in abeyance pending a determination of whether to realign retail window hours. *Id.* at 18. When the community expresses a strong preference for one of the alternative access means other than realigned window service hours under the POSTPlan, the Postal Service will proceed with a discontinuance study utilizing the procedures set forth in “USPS Handbook PO-101.”⁴

Witness Day states that, beginning in September 2012, the Postal Service will survey customers to solicit their preferences for realigned window service hours or a

⁴ *Id.* at 22-23; see 39 CFR part 241. Witness Day notes that the discontinuance process has been improved so that it now uses actual employee costs based on historical data, includes detailed financial information such as one-time costs not previously accounted for, and captures more non-revenue transactions. USPS-T-1 at 23-24.

discontinuance study. *Id.* at 17, 21. The Postal Service will then review the surveys and hold a community meeting to discuss the survey results. If the Postal Service determines to maintain the post office with realigned retail hours, it will consider feedback from the community meeting to determine the time of day in which retail window service will be available and the timeline for implementation. If the post office is not continued with realigned window service hours, the Postal Service will likely study the facility for discontinuance. *Id.* at 17-18.

The Request and all supporting public materials are on file in the Commission's docket room for inspection during regular business hours, and are available on the Commission's website at <http://www.prc.gov>.

Timing. The Postal Service believes that its filing satisfies the requirements of 39 CFR 3001.72, which states that a request for an advisory opinion must be filed at least 90 days in advance of the effective date of the proposed changes. See Request at 10. Although witness Day indicates that the Postal Service will begin upgrading post offices identified as APOs and those with an AEWL of greater than 5.74 hours per day to EAS Level 18 post offices in June 2012, he also states that "no reduction in hours or discontinuance study pursuant to POSTPlan will occur until more than 90 days after the filing of the request for an advisory opinion with the PRC." USPS-T-1 at 21.

Further procedures. 39 U.S.C. 3661(c) requires that the Commission afford an opportunity for a formal, on-the-record hearing of the Postal Service's Request under the terms specified in sections 556 and 557 of title 5 of the United States Code before issuing its advisory opinion. Based on its preliminary review of the Request, the Commission finds it appropriate to expedite the proceeding. To facilitate expeditious review of the matter, the Commission expects parties to make judicious use of discovery, discovery objections, and motions' practice. Every effort should be made to confer to resolve disputes informally.

All interested persons are hereby notified that notices of intervention in this proceeding shall be due on or before June 18, 2012. See 39 CFR 3001.20 and 3001.20a. Consistent with rule 20, each person filing a notice of intervention shall,

inter alia, specify the nature of his/her interest and whether or not he/she requests a hearing. See 39 CFR 3001.20. Discovery may be propounded upon filing a notice of intervention. Responses to discovery shall be due within 7 days.

The procedural schedule shown below the signature of this Order will be followed in this proceeding assuming that no participant desires to present rebuttal testimony. Participants who wish to present rebuttal testimony must notify the Commission of their intent to file, and the nature of their rebuttal, by July 11, 2012. Rebuttal testimony, if requested, will be due July 18, 2012. The balance of the procedural schedule will be revised accordingly.

Public Representative. Section 3661(c) of title 39 requires the participation of an “officer of the Commission who shall be required to represent the interests of the general public.” Pursuant to 39 U.S.C. 505, Emmett Rand Costich is designated to serve as the Public Representative to represent the interests of the general public in this proceeding. Neither the Public Representative nor any additional persons assigned to assist the Public Representative shall participate in or advise as to any Commission decision in this proceeding, other than in their designated capacity.

It is ordered:

1. The Commission establishes Docket No. N2012-2 to consider the Postal Service Request referred to in the body of this Order.
2. The Commission will sit *en banc* in this proceeding.
3. The procedural schedule for this proceeding is set forth below the signature of this Order.
4. Pursuant to 39 U.S.C. 505, the Commission appoints Emmett Rand Costich to represent the interests of the general public in this proceeding.

5. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Shoshana M. Grove
Secretary

Procedural Schedule for Docket No. N2012-2

(May 31, 2012)

Notices of intervention	June 18, 2012
Close of discovery on Postal Service direct case	June 28, 2012
Notice of intent to conduct oral cross-examination	July 2, 2012
Hearing on the Postal Service's direct case (if requested) (9:30 AM in the Commission's hearing room)	July 11, 2012
Notice of intent to file rebuttal testimony	July 11, 2012
<i>Rebuttal Testimony (if requested)</i>	<i>July 18, 2012</i>
Filing of Briefs (if no rebuttal testimony)	July 20, 2012
Filing of Reply Briefs (if no rebuttal testimony)	July 27, 2012