

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

POST OFFICE STRUCTURE PLAN

Docket No. N2012-2

REPLY BRIEF OF UNITED STATES POSTAL SERVICE
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I. PRELIMINARY STATEMENT

In its July 20, 2012 Initial Brief, the United States Postal Service (Postal Service) summarized the evidentiary record in PRC Docket No. N2012-2, the scope of the Postal Regulatory Commission's (Commission) responsibilities under 39 U.S.C. § 3661(c), and the legal standards that apply to the exercise of those responsibilities. That brief explains why the advisory opinion the Postal Service has requested should conclude that the changes anticipated to result from the Post Office Structure Plan (POStPlan), and the process through which those changes will be determined, are both consistent with the relevant policies of title 39, United States Code.

At its core, POStPlan presents a sensible initiative to realign retail window service hours offered by EAS Level 16 or below Post Offices to match actual customer use, as measured by workload. It reflects consideration of suggestions for alternatives to the discontinuance study process made by the Commission in PRC Docket No. N2011-1, and by customers during the discontinuance study process. The process of determining whether to realign a Post Office's retail window service hours occurs separately from and independent of the Post Office discontinuance study process. Although in some instances POStPlan could lead to the initiation or resumption of a discontinuance study, the Postal Service anticipates that this will occur rarely, and that in most instances the POStPlan evaluation process will lead to the realignment of retail window service hours. Accordingly, the retail window service hour realignment process presented in this docket falls outside the scope of 39 U.S.C. § 404(d) and Handbook PO-101. The Postal Service invites the Commission to concentrate on the consistency of this hour realignment process with the policies of title 39 as the subject on which an advisory opinion has been requested, and not on the Post Office discontinuance study

process that could occur for some Post Offices after the hour realignment decision, or on emergency suspensions that occur outside the scope of POSTPlan.

Because the major facets of the case were discussed in its Initial Brief, the Postal Service will not revisit every matter touched upon in therein. In this Reply Brief, the Postal Service focuses primarily on arguments propounded by various parties in their Initial Briefs to demonstrate that no critic of POSTPlan has provided a basis for the Commission to conclude that the action proposed in this docket is inconsistent with the policies of title 39. The fact that the Postal Service has not chosen to respond to every argument presented in each participant's Initial Brief should not be interpreted as agreement by the Postal Service with points not otherwise addressed below.

II. POSTPLAN WILL RESULT IN A RETAIL NETWORK THAT SERVES THE POSTAL NEEDS OF CUSTOMERS AND REFLECTS CUSTOMER USE OF POSTAL SERVICES.

Despite participants' contentions to the contrary, POSTPlan will preserve access to postal services in communities impacted by POSTPlan, and allow the Postal Service greater flexibility to match its retail window service hours to customer use.

A. The Postal Service Expects And Intends That In Most Cases The POSTPlan Evaluation Will Not Lead To Discontinuance Study.

Throughout this docket, the Postal Service consistently has affirmed that the POSTPlan evaluation process rarely would lead to discontinuance study, if at all. Direct Testimony of Jeffrey C. Day on Behalf of the United States Postal Service (USPS-T-1) (May 25, 2012) at 18 (“the Postal Service expects that most candidate POSTPlan Offices will not be studied for discontinuance as part of the POSTPlan”); Tr. 1/102 (“it is expected that few Post Offices will face discontinuance study as a result of POSTPlan”); Tr. 1/103 (“The Postal Service expects that few, if any, Post Offices will become the

subject of a discontinuance study as a result of POSTPlan”). The methodology of the POSTPlan evaluation process reflects the expectation that customers will likely prefer retail window service hour realignment in lieu of a discontinuance study. See Postal Service Initial Brief at 5, 11; USPS-T-1 at 15; Tr. 1/91, 159. And the Postal Service has stated explicitly that the goal of POSTPlan is to provide communities with an option to avoid the discontinuance study process. Postal Service Initial Brief at 3-6, 14-16; USPS-T-1 at 10; Tr. 1/275. Some POSTPlan candidate Post Offices will experience reclassification at EAS Level 18 or above as a result of the POSTPlan evaluation process. Postal Service Initial Brief at 5-6; USPS-LR-N2012-2/11; USPS-T-1 at 11-15; Tr. 1/30, 80.

Despite the Postal Service’s consistent and public position, it appears that participants do not characterize the purpose and substance of POSTPlan with precision. See APWU Initial Brief at 8 (described below), 11-12 (“[POSTPlan]’s terms describe discontinuance as an equal option to reducing window hours in any of the thousands of . . . Post Offices that qualify for POSTPlan”); Public Representative Initial Brief at 2 (described below). To the contrary, the record makes clear that in general, a POSTPlan evaluation will not lead to the discontinuance study option unless the community has exhibited a strong preference for discontinuance study. Postal Service Initial Brief at 5, 11; USPS-T-1 at 15; Tr. 1/91, 159. The APWU recognizes that POSTPlan reflects a general preference for the retail window service hour realignment option. APWU Initial Brief at 5 (“With the exception of what the Postal Service anticipates to be the rare occurrence when a community expresses its desire to discontinuance a [P]ost [O]ffice . . . POSTPlan is the application of a strict formula for [realigning] the amount of

window service...”), 12 (“[witness] Day committed that the Postal Service would pursue discontinuance [study] in only rare situations where the community demands it, noting that ‘we’re going to go with the realignment of window service hours unless the community shows a strong preference for one of the closure options”). Yet inexplicably, the APWU thereafter contends that:

[t]he Postal Service did not specify when or why it may determine to conduct a discontinuance study rather than realign window service hours in a POStPlan office The Postal Service simply reserved the option that in any office where the Postal Service believes the AEWL justifies reducing the window service hours, the Postal Service may also determine not to continue with realigned window service hours and either resume or initiate a discontinuance study.

APWU Brief at 8. As support, the APWU cites to pages 7-8 of the Postal Service Request. *Id.* The record is to the contrary. Specifically, page 2 of the Request states that “[t]he Postal Service generally will not study for discontinuance candidate Post Offices as part of the POStPlan unless the community has a strong preference for discontinuance and replacement with one of the existing alternatives.” Postal Service Request at 2.

Instead of addressing the general goals and foundational elements of POStPlan, the Public Representative focuses on limited exceptions identified in the record to similarly assert that POStPlan will commonly result in discontinuance. Public Representative Initial Brief at 2-4. Specifically, the Public Representative points to statements in the record indicating that the Postal Service will consider operational needs in addition to customer feedback as part of its assessment of whether the retail window service hour realignment option is appropriate for a particular community. *Id.* It is of course expected that the Postal Service would not take action inconsistent with its

operational needs. More importantly, as explained by the Postal Service, the consideration of operational needs serves to address the rare occurrence of unlikely and largely unforeseeable circumstances, for example, an emergency suspension such as a fire, or inability to staff a Post Office. Tr. 1/247. The examples of the “operational needs” consideration cited by the Public Representative reinforce its limited application. For example, the Public Representative identifies the destruction of a building in a fire and the inability “to safeguard the office or protect the sanctity of the mail” as considerations falling within the “operational needs” category. Public Representative Initial Brief at 2-4. Naturally, such occurrences are rare. And in response to the Public Representative’s cross-examination regarding the requirement for “safeguard[ing] the office or protecting the sanctity of mail,” witness Day stated that he has no knowledge of these circumstances as a basis for emergency suspension. Tr. 1/248.

As demonstrated by the record in this docket, the Postal Service intends for POSTPlan to preserve postal services for impacted communities and to provide these communities with an option for avoiding the discontinuance study process.

B. The Postal Services Utilized By Communities Affected By POSTPlan Will Continue To Be Available To These Communities.

The Postal Service acknowledges that a central purpose of POSTPlan is to align retail window service hours at a Post Office with actual customer use of its services. Postal Service Initial Brief at 3-6; USPS-T-1 at 16; Tr. 1/158, 232, 273, 276-278. As explained by the Postal Service, customer behavior has shifted over time, and now customers obtain fewer postal services from Post Offices and more postal services from alternate access channels. Postal Service Initial Brief at 4; USPS-T-1 at 3-4; Tr. 1/218-219, 277-278. POSTPlan allows the Postal Service to respond to this shift in customer

behavior by tailoring the Post Office's retail function to reflect its role in the postal retail network as demonstrated by customer use. Postal Service Initial Brief at 4; USPS-T-1 at 3-4, 10; Tr. 1/218-219, 277-278.

Initial briefs submitted by the participants do not appear to recognize the vast alternatives available to customers. Their description of the postal retail network relies primarily on the brick-and-mortar Post Office as the source of postal services for communities impacted by POStPlan. See, e.g., APWU Initial Brief at 2 (describing POStPlan as creating "a path to irretrievably damaging and diminishing Post Office services in . . . communities [likely to be affected by POStPlan]"). In fact, the record in this docket documents Village Post Offices (VPOs), carrier service, Contract Postal Units, stamp consignees, usps.com, and Automated Postal Centers as alternatives to traditional brick-and-mortar retail facilities. USPS-T-1 at 3, 20.

Ms. Mittleman challenges witness Day's description of the communities impacted by POStPlan, and identifies several communities that include multiple businesses. Mittleman Initial Brief at 8-16. But as explained by the Postal Service, POStPlan considers two factors, namely, a Post Office's adjusted earned workload (AEWL) and its proximity to other facilities within the postal retail network. Postal Service Initial Brief at 4-5; USPS-T-1 at 1, 11, 13-16. POStPlan logically focuses on a community's need for postal services, as measured by customer use through AEWL, and not on community type or the number of businesses in a community. USPS-T-1 at 15-16; Tr. 1/48. An assessment focused on customer use identifies the components of the postal retail network accessed by customers most often; a focus on community type or business locations as suggested by Ms. Mittleman would not, however, account for customer

usage patterns with respect to alternate locations or access options, such as use of Post Offices located outside of a customer's community or stamps by mail. See Tr. 1/227-228 (providing example of customer decision to obtain postal services from source located outside of his residential community). But if a community includes a large number of businesses that use the Post Office located in that community, the AEWL measurement will naturally reflect this activity.

Ms. Mittleman apparently attempts to challenge witness Day's testimony by describing in detail the impact on local businesses. Mittleman Initial Brief at 9-16. Based on the non-record information provided by Ms. Mittleman, it appears that these communities include a number of businesses that could offer a VPO. *Id.* This fact demonstrates the potential value of VPOs to communities served by Post Offices that experience a realignment of retail window service hours pursuant to POSTPlan. It also casts doubt on the APWU's unsupported contention that "the alternative of VPOs are presently of minimal value as an actual alternative channel." APWU Initial Brief at 18.

As explained by the Postal Service, the VPO option is not limited to communities impacted by a discontinuance study, and a Village Post Office may be established in communities served by Post Offices that experience a realignment of retail window service hours. Postal Service Initial Brief at 10, 13, 16; Tr. 1/124, 196-197, 241, 264-265, 291, 293, 318; USPS-T-1 at 15; USPS-LR-N2012-2/13. So for example, in the communities identified by Ms. Mittleman, the listed businesses serve as potential locations for a new VPO that would offer services for more hours than the Post Office. See *id.* The Postal Service has indicated that it hopes to expand the VPO concept in the future. Tr. 1/318. If other communities impacted by POSTPlan resemble those

identified by Ms. Mittleman, the combination of a PTPO or RMPO with a VPO and other alternate access channels may provide similar or even greater access to many postal services used by these communities, which consist primarily of postage, after implementation of POSTPlan. See Tr. 1/196-197.

The Postal Service has evaluated the likely impact of POSTPlan by focusing on the sources of postal services accessible by impacted communities, and the specific postal services used by these communities. It recognizes that postal services used most commonly by the communities impacted by POSTPlan are connected with the purchase of postage, a service made widely available to customers through alternate access channels. USPS-T-1 at 3, 6, 9; Tr. 1/196, 219, 226, 265. And it recognizes that a Post Office in a particular community is one component of that community's postal retail network, which includes Postal Service operated retail facilities and alternate access channels accessible near locations where a community's residents live, work, shop, or otherwise visit. USPS-T-1 at 2-4; Tr. 1/191-193, 195-196. Because of the dominant position of postage within a POSTPlan community's overall postal needs and the shift in customer behavior toward alternate access channels, the role of the Post Office is only one component in a postal retail network. A change in operations at the Post Office in a community under POSTPlan is likely to have minimal effect on that community's access to postal services. As such, communities affected by POSTPlan will continue to have access to the products and services that are provided today, including those products and services unavailable through some alternate access channels. Postal Service Initial Brief at 3-6, 12-14; USPS-T-1 at 9; Tr. 1/53-54, 59-60, 69-71, 107-108, 126, 219-222, 224, 297-298, 322.

Although POSTPlan will lead to a change in retail hours for some Post Offices, it will not lead to a reduction in customer access to delivery receptacles. Postal Service Initial Brief at 10, 13; USPS-LR-N2012-2/13; USPS-T-1 at 16; Tr. 1/62, 326. Despite the Postal Service's repeated reassurances, participants claim that POSTPlan threatens to reduce customer access to delivery receptacles. See APWU Initial Brief at 17-18; Public Representative Initial Brief at 3-4; Mittleman Initial Brief at 18-19. The record reflects the Postal Service's consideration of this issue, and its development of a plan to maintain, or in some cases increase, customer access to delivery receptacles. Postal Service Initial Brief at 13; Tr. 1/62, 67, 186-187, 250-251, 286-287.

As described above, the Postal Service has demonstrated that it will continue to serve the postal needs of communities affected by POSTPlan.

C. The POSTPlan Process Is Fair And Effective.

1. Adjusted earned workload is a proper measurement to use in realigning retail window service hours to match actual customer use.

It appears from their initial briefs that certain participants, including the APWU and Ms. Mittleman, do not completely understand the nuances of AEWL. See APWU Initial Brief at 3; Mittleman Initial Brief at 2-8, 18-20, 28. While the Postal Service has explained how AEWL is calculated in the written and oral testimony of witness Day and through several library references, it is evident from the participants' initial briefs that additional clarity is required.

The APWU and Ms. Mittleman both state that AEWL is based on consumer transaction time. See APWU Initial Brief at 3; Mittleman Initial Brief at 2-7. This is an incomplete description of what is encompassed in AEWL. Ostensibly, AEWL is exactly what the name implies, a calculated adjustment of the earned workload performed in a

Post Office. As the record makes clear, essentially all activity performed at the Post Office, other than Postmaster administrative time for offices that use Small Office Variance (SOV), is encompassed in earned workload, including mail distribution, Post Office Box distribution, retail window service, business services, and general administrative duties. USPS-T-1 at 6 n.3; Tr. 1/90, 273-74. A complete understanding of this issue addresses many of the points raised in Ms. Mittleman's initial brief and corrects the misconception in the APWU's brief that AEWL only measures consumer transaction time. See Mittleman Initial Brief at 2-8, 18-20, 28; APWU Initial Brief at 3.

Ms. Mittleman further claims that, despite her ability to accurately calculate AEWL for two Post Offices in her initial brief, AEWL is overly complicated and opaque.¹ See Mittleman Initial Brief at 5-6, 7. She expects that consumers will be unable to independently determine and verify the Postal Service's calculation of AEWL, thereby making customers "essentially powerless to suggest or propose a different daily hour determination based on a review of the calculations." Mittleman Initial Brief at 7-8. The Postal Service, however, has transparently provided in this public docket all the data necessary for customers and communities to calculate the AEWL for any POSTPlan Office. While the Customer Service Variance (CSV) and SOV workload numbers in USPS-LR-N2012-2/2 are based on data from internal databases, the Postal Service has provided annual workload values for FY 2011 for all retail facilities. Using these data in USPS-LR-N2012-2/2, and the legend provided in USPS-LR-N2012-2/9, postal customers can verify AEWL calculations, just as Ms. Mittleman did on pages 5-6 of her initial brief.

¹ Ms. Mittleman had ample opportunity to raise any questions or concerns regarding the calculation of AEWL during hearings in this docket. However, she instead chose to wait until filing her initial brief to bring the matter to the fore.

Ms. Mittleman is correct that the Postal Service has used actual workload data from Postal Service databases and management tools to measure actual office workload. See Mittleman Initial Brief at 20. But for her to imply that the Postal Service's use of these tools and algorithms to determine the retail window service hours for Post Offices is somehow improper simply because it involves complicated calculations is not persuasive. An adjustment of retail window service hours to better align with actual customer use will necessarily involve significant and complex analysis of data relating to workload in order to ensure a fair and proper process of evaluation. Such complexity is not a valid basis for a challenge to the initiative at issue here.

Ms. Mittleman also raises concerns about AEWL accounting for Post Office Boxes. Mittleman Initial Brief at 18. Ms. Mittleman indicates that she is unsure as to whether the calculation of AEWL includes the number of Post Office Boxes and opines that if that number is not included, it should be. *Id.* As set forth above, AEWL includes actual earned workload. Part of that workload is the distribution of mail to Post Office Boxes. See USPS-LR-N2012-2/2. Post Office Box distribution workload is determined based on the volume of mail and the number of Post Office Boxes to which the Post Office actually delivers. Tr. 1/90. Thus, the number of assigned Post Office Boxes, while not specifically listed in the calculation of AEWL, is implicitly included based on labor time allocated to distribution.²

² Ms. Mittleman also questions whether AEWL contains information about how many unassigned Post Office Boxes are available at nearby Post Offices. AEWL does not account for this factor, and the Postal Service is unable to follow Ms. Mittleman's logic as to why such a number should be included in AEWL. This is particularly true since the Postal Service has advised that it will maintain the same level of access to delivery receptacles that is available today. See, e.g., Postal Service Initial Brief at 13; Tr. 1/62, 67, 250-251, 286-287.

2. Reduction in retail window service hours does not make a reduction in AEWL inevitable.

On pages 17 and 20 of its initial brief, the APWU recommends that the Postal Service develop a solution for a Level 2, 4 or 6 Post Office to increase its retail window service hours, including a plan to increase the hours of a Post Office that is falling below the AEWL threshold for its current level. The APWU appears to suggest that it may become impossible for Post Offices to graduate to higher levels as they will be capped by the combination of workload ranges for each level office and its retail hours. No “cap” exists, however, as contingencies are already incorporated into POSStPlan. As explained in detail in witness Day’s testimony, AEWL incorporates not only the actual earned workload in a Post Office, but also an adjustment factor of 10 percent (a factor of 1.1). USPS-T-1 at 12; Tr. 1/150, 274. The adjustment factor enables a Post Office to rise from one level to the next if its earned workload increases to the maximum for the level, which also corresponds to the maximum daily office hours for that level. The 1.1 adjustment factor also eliminates the “cap” concern raised by the APWU because it creates a 10 percent buffer whereby an office will be reclassified to a higher level based on its AEWL, even if its actual earned workload is below the minimum threshold for the new level.

The other significant fact not accounted for by the APWU is that for most RMPOs, retail workload accounts for less time than other workload, such as distribution and administrative workload. See USPS-LR-N2012-2/11. Thus, there exists ample room below any purported “cap” for retail service to increase (*i.e.*, no Level 2 Post Office has more than 44 minutes of retail workload per day despite being open 2 hours, no Level 4 Post Office has more than 2 hours and 26 minutes of retail workload per day

despite being open 4 hours, and no Level 6 Post Office has more than 4 hours of retail workload per day despite being open 6 hours). *Id.* POSTPlan provides a means for the hours of operation of a Post Office retail window to be increased based simply on increases in retail workload.

The APWU also makes the unreasonable assertion that instead of continuing to align retail window service hours with actual use, the Postal Service should instead increase the hours of retail window service hours for a Post Office whose AEWL continues to decline after implementation of POSTPlan. APWU Initial Brief at 20. Such a suggestion is directly contrary to the premise of POSTPlan and common sense. A primary purpose of POSTPlan is to achieve greater efficiency, and increasing the retail window service hours of a Post Office that is already underutilized would seriously compromise overall efficiency goals. See USPS-T-1 at 9; Tr. 1/158,191, 273-75.

3. The annual review process properly ensures that retail window service hours continue to align with customer use of postal services.

The APWU misinterprets the annual review process discussed during the oral testimony of witness Day. See APWU Initial Brief at 16-17. POSTPlan's initial implementation will occur over approximately two years, ending in the fall of 2014. USP-T-1 at 16 n.13; Tr. 1/277. Beginning in 2014, the Postal Service will perform annual reviews of offices by examining the prior fiscal year's AEWL of each Post Office to ensure that the Post Office is classified at the appropriate level. USPS-T-1 at 16; Tr. 1/190. For example, if a Level 2 RMPO had an AEWL of 2.1 for FY 2013, that office would be upgraded to a Level 4 RMPO in the FY 2014 annual review, and conversely, if a Level 6 RMPO had an AEWL of 2.4 for FY 2013, that office would be reclassified as a Level 4 RMPO in the FY 2014 annual review.

The APWU recommends that the Postal Service gradually realign retail window service hours over at least a two year period, rather than annually as described in the Postal Service's direct case. APWU Initial Brief at 19-20. The APWU does not specify, however, if it is referring to the initial implementation process or if it is recommending a biannual review instead of an annual review. Initially, the Postal Service will in fact limit reclassifications to a two year period. USPS-T-1 at 16 n.13; Tr. 1/277. Because of the number of Post Offices being evaluated pursuant to POSStPlan, the Postal Service expects that it will take approximately two years to complete the implementation process. After that time, the Postal Service will perform evaluations of AEWL annually. A biannual review process after FY 2014 as suggested by the APWU would prevent the Postal Service from adequately evaluating Post Offices and ensuring that the services available are sufficient to satisfy existing demand for window services. If a Level 2 RMPO sees an increase in AEWL that would result in a reclassification of that Post Office as a Level 4 RMPO, the Postal Service will reclassify that Post Office as part of the annual review process to ensure that all customers continue to receive access to postal services.

If the Postal Service were to only review offices every two years as suggested by the APWU, the Postal Service would be unable to react in a timely manner to changes in customer use at a given Post Office, and postal customers may be left without adequate access to postal services for a much longer period of time. The implementation and review process identified in the testimony of witness Day permits a gradual implementation process while ensuring that future annual reclassifications are responsive to changes in customer use.

4. The Postal Service will ensure that customers are well informed.

On page 19 of its Initial Brief, the APWU recommends that the Postal Service “use a broad definition of community and carefully design its communication with the public in order to get the most competent data on customer needs and uses.”

Throughout this docket, the Postal Service has identified the method of evaluating and determining customer needs and uses of postal services. USPS-T-1 at 16-19; Tr. 1/194, 258-60. The Postal Service has also produced drafts of its community survey and cover letter soliciting public input, as well as a draft instructional memorandum for use by field employees. See USPS-LR-N2012-2/13; USPS-LR-N2012-2/14. These materials detail how the Postal Service will communicate with customers about POSTPlan and the information that will be provided to the community. Accordingly, the Postal Service has developed a sound plan for ensuring the receipt of robust data about customer preferences and effective communication with postal customers. No participant has furnished evidence challenging the adequacy of data collection efforts in this docket. To now do so on brief is of little benefit to the Commission or the other parties in this proceeding.

Ms. Mittleman argues that the Postal Service should look beyond AEWL to other community factors in determining the number of retail window service hours per day for a given Post Office. See Mittleman Initial Brief at 8-9. Ms. Mittleman is correct that as part of a discontinuance study, the Postal Service evaluates such community factors to determine what the impact of closing the Post Office would be on the community. See USPS-LR-N2012-2/5. The Postal Service will then use these subjective factors in its determination as to whether to maintain a Post Office or pursue discontinuance. In realigning the retail window service hours pursuant to POSTPlan, however, the Postal

Service does not intend to analyze subjective factors such as demographics or socioeconomics, but instead will focus on consideration of objective factors of customer use, measured by AEWL, and distance to another Post Office. USPS-T-1 at 15. Using just these objective factors will promote consistency of service levels throughout the country. In contrast, using subjective criteria may result in inconsistencies in service, with potentially underutilized Post Offices having more hours than demand warrants, and Post Offices with high levels of workload having fewer hours. The Postal Service developed a fair and appropriate method for determining the retail window service hours, and to include new factors as suggested by Ms. Mittleman would lead to inconsistencies in approach, which is contrary to the goals of efficiency and consistency.

Ms. Mittleman also independently analyzes five communities and explains, without citation to the record in this case, how the Postal Service serves each of these communities. Mittleman Initial Brief at 9-16.

First, it is important to note the proposed hours of weekday operation and the current retail workload at the Post Offices in each of these communities:

Post Office	Weekday Retail Window Hours After POSTPlan	Current Retail Workload Per Day
Innis, Louisiana	2 hours	57 minutes
Spring Dale, West Virginia	2 hours	57 minutes
Star Tannery, Virginia	2 hours	55 minutes
Cortland, Indiana	2 hours	27 minutes
Fruitland, Iowa	2 hours	55 minutes

See USPS-LR-N2012-2/11. As the table illustrates, application of POSTPlan for each of these offices still more than covers each of the Post Office's respective daily retail

workload. Furthermore, as Ms. Mittleman notes, some of these Post Offices already have part time hours and a realignment of hours will have minimal impact.³ Mittleman Initial Brief at 14.

Ms. Mittleman goes on to assert that the Postal Service should account for offices with reduced hours in its calculation of AEWL. Mittleman Initial Brief at 14-15. This assertion seems to miss the point that AEWL accounts for Post Offices that are currently open part-time. AEWL uses the total work performed during a year and divides that by the number of days of retail operation and days of delivery. This allows the Postal Service to better align hours of operation per day with average daily use. By using number of days, the Postal Service properly accounted for Post Offices that are currently part-time.

Without any citation to the record in this case or any specificity in her assertion, Ms. Mittleman states that in prior discontinuance actions, some customers may have felt that the discontinuance process, specifically the questionnaires and community meetings, were somehow unfair. Mittleman Initial Brief at 16-18. Ms. Mittleman goes on to suggest that “[i]t is possible that the postal customer will be indifferent or even hostile to this new round of questionnaires and community meetings” Mittleman Initial Brief at 17. These concerns find no support in the evidentiary record, however. In fact, in numerous Post Office appeal dockets, customers have specifically asked for

³ Ms. Mittleman questions whether the Postal Service’s calculation for AEWL at the Fruitland Post Office is accurate because the Fruitland Post Office was suspended until February 2010 due to tornado damage. See Mittleman Initial Brief at 15-16. As explained on page 16, footnote 13 of the testimony of witness Day, AEWL utilized data from FY 2011, which began more than seven months after the Fruitland Post Office reopened, and as such, the AEWL data are correct.

precisely the option offered here, *i.e.*, retention of the Post Office with reduced hours.⁴ As is evident in the market research and the testimony of witness Day, postal customers overwhelmingly prefer to keep their Post Office open with reduced hours, and POSTPlan provides that option to customers, including many that had been undergoing studies for discontinuance. USPS-T-1 at 20-21; USPS-LR-N2012-2/4; USPS-LR-N2012-2/7; Tr. 1/158-59. The Postal Service expects that customers, particularly in those communities that have a heightened interest in maintaining a Post Office in their community, will actively participate in the POSTPlan process. Tr. 1/258-60. To help ensure participation, the Postal Service will send a letter and survey to all customers served by a Post Office under consideration for realignment of retail window service hours, post informational notices in the Post Office, and make additional surveys and information available to customers at the retail counter. USPS-LR-N2012-2/13; USPS-LR-N2012-2/14. These measures will afford customers with multiple opportunities to submit their preferences to field management.

D. The Postal Service Will Not Utilize Suspensions As A Mechanism For Avoiding Hours Realignment Under POSTPlan.

The Public Representative and Ms. Mittleman question the Postal Service's previous practices in connection the suspension of Post Offices. Public Representative Initial Brief at 2-5; Mittleman Brief at 24-27. On page 27 of her initial brief,

⁴ Customers have requested that the Postal Service maintain the Post Office with reduced hours in numbers appeals before the Commission. See, *e.g.*, Docket Nos. A2012-6, Petition for Review Received from Dennis & Janet Kuennen Regarding the St. Lucas, IA Post Office 52166-0265 , October 5, 2011; A2012-10, Appeal for Closure of Agate, CO Post Office 80101, October 12, 2011; A2012-24, Petition for Review Received from Customers of Ozan, AR Regarding the Ozan, AR Post Office 71855 , October 20, 2011; A2012-28, Petition for Review Received from Dale Thompson, Mayor & City Council Regarding the Ferguson, IA Post Office 50078 , October 20, 2011; A2012-109, Petition for Review Received from Jamie Fiorino, Pastor, Bovill Presbyterian Church Regarding the Bovill, ID Post Office 83806 , December 28, 2011; and A2012-112, Petition for Review Received from Patricia Walsh Mallory Regarding the Elwell, MI Post Office 48832, January 11, 2012

Ms. Mittleman asserts that the Postal Service may suspend Post Offices and then close them without community input or permitting a customer appeal to the Commission. This argument apparently assumes that the requirements of Handbook PO-101 are inapplicable in the context of POSTPlan. This is not the case. The Postal Service is not proposing to change procedures for suspension or discontinuance in connection with POSTPlan. Before a Post Office may be closed, including a Post Office that is not operational because it is suspended, it must undergo a discontinuance study pursuant to Handbook PO-101. Suspending a Post Office does not foreclose the opportunity for the community to provide the Postal Service with input regarding the importance of that Post Office to their personal or business consumption of postal services, or the opportunity for affected customers to file an appeal with the Commission if the Post Office progresses through the discontinuance process. Contrary to Ms. Mittleman's claim, the Postal Service does not use suspensions as a substitute for a formal discontinuance study. All POSTPlan Offices are subject to the procedures in Handbook PO-101 in the event of a suspension or a discontinuance study.

The Public Representative asserts that the Postal Service's plan to maintain smaller and less utilized Post Offices with realigned retail window service hours is somehow connected to an as yet unrevealed plan to close a number of Post Offices. See Public Representative Initial Brief at 2. There is no record support for such speculation. The testimony, both written and oral of witness Day, has made it abundantly clear that the Postal Service's goal is not to close offices, but instead to realign retail window service hours to correlate with actual customer use. USPS-T-1 at 21.

In support of its position, the Public Representative criticizes the Postal Service for maintaining that, in limited circumstances, the Postal Service may have to discontinue a POSStPlan Office that the community otherwise prefers to maintain with realigned hours because of operational needs. Public Representative Initial Brief at 1-2. While the Postal Service believes that such circumstances will be rare, the Postal Service is merely ensuring that the process is transparent by identifying all potential outcomes. Witness Day explained that operational needs include such things as an emergency suspension, for instance when a Post Office building is destroyed and there are no other buildings in the community to accommodate postal operations or an unfulfilled employment vacancy, which arises when the Postal Service is unable to find a qualified individual to staff the office. See Tr. 1/247. Furthermore, the Public Representative incorrectly states that community preference will be weighed against the Postal Service's operational needs. See Public Representative Initial Brief at 2. In most circumstances, the Postal Service expects to maintain a currently operational Post Office unless the community indicates a strong preference for discontinuance (more than 60 percent) or operational needs otherwise require. USPS-T-1 at 21; Tr. 1/91, 159. The Postal Service's expectation is that the vast majority of offices will experience realignment of retail window service hours and that operational needs will not require initiation of a discontinuance study. Tr. 1/247.

The Public Representative and the APWU also question the Postal Service's ability to staff POSStPlan Offices for two or four hours per day and raise the specter that suspensions may arise due to mail security concerns, presumably because the Postal Service will allow access to mail receptacles when the retail window may be closed.

Public Representative Brief at 3-4; APWU Initial brief at 12, 16. With respect to staffing concerns, while the participants may disagree, witness Day testified and past practice has shown that the Postal Service will be able to staff virtually all POSTPlan offices. Tr. 1/207-08. Witness Day emphasized that the Postal Service staffs many POSTPlan Offices that are currently open less than forty hours per week and that the Postal Service hires other part-time employees as temporary employees. *Id.*

Additionally, in its Initial Brief, the Postal Service further explained how existing policies and procedures, recent optional retirement offers, and the ability of employees to travel to more than one facility during the workday would address such staffing concerns. Postal Service Initial Brief at 14. There is no evidence in the record in this docket that suggests otherwise. The Public Representative's reference to situations in Gepp, Arkansas and Kirksey, Kentucky Post Offices as examples of inability to staff Post Offices is not record evidence. Public Representative Initial Brief at 3. Moreover, these instances, as documented in now closed Commission dockets, do not account for recent activity undertaken by management to fill these vacancies, which could have been developed through discovery.

With respect to access to delivery, as explained in Section II.B. above, the Postal Service has made it abundantly clear that POSTPlan will have no effect on customers' access to their mail receptacles. See *also* USPS-T-1 at 16; Tr.1/62, 67, 326. Additionally, the Postal Service has budgeted \$5 million dollars in FY 2013 for Post Office modifications and will set aside additional money in FY 2014 if required. Tr.1/186. The Public Representative's calculations on page 4 of its initial brief fail to account for the FY 2013 budget. The Public Representative's discount of 40 percent for

Post Office that currently offer 24-hour access does not include other factors that may diminish the need for Post Office modifications, such as Post Offices that are currently part-time where hours will not change. The Postal Service will continue to provide customers the same access to their mail that they receive today.

In addition, the Public Representative's cynical claim that Postal Service employees would shirk their responsibilities under POSTPlan and simply suspend Post Offices is unfounded and lacks any evidentiary support. POSTPlan is a Headquarters-initiated program with clear and unambiguous instructions for field personnel, and the participants and the Commission should be assured that implementation and progress will be carefully monitored from Headquarters. See USPS-LR-N2012-2/14.

Ms. Mittleman again reaches beyond the record of this case to question the Postal Service's lease negotiation practices. As witness Day explained at the hearing and as described in Handbook RE-1 section 331, the Postal Service must negotiate leases with terms and conditions that are in the best interest of the Postal Service. See Tr. 1/295-96; Postal Service Response to Presiding Officer's Information Request No. 5, Questions 1 and 2.⁵ As the financial situation of the Postal Service and economy as a whole have changed in recent years, so have the terms of Postal Service leases. *Id.* Adapting to a changing economic landscape and carefully negotiating leases that serve the best interests of the Postal Service is an example of prudent management and sensible stewardship of public funds. While it is possible that a POSTPlan Office may, at some point in the future, undergo a suspension because of lease negotiations, the

⁵ The response to Presiding Officer's Information Request No. 5, Question 2 was incorporated into the record per Presiding Officer's Ruling Nos. N2012-2/6 and N2012-2/8.

Postal Service has no plan for using the lease negotiation process as a pretext to close Post Offices. See Tr. 1/247.

III. THE STAFFING RECOMMENDATIONS PROPOSED BY THE APWU ARE UNSUPPORTED AND WOULD NOT SERVE THE PURPOSES OF POSTPLAN.

The APWU recommends that the Postal Service increase the use and compensation of APWU employees in RMPOs and PTPOs. APWU Initial Brief at 16-19. This self-serving recommendation represents an unwarranted attempt to further an alternative agenda not germane to the issues in this docket. While the staffing recommendations submitted by the APWU might be aimed at improving the condition of the APWU, they do not address the service-related impacts of POSStPlan.

The APWU also proposes that the Postal Service separate the staffing for Post Office Box mail distribution and retail window service. APWU Initial Brief at 17-19. This recommendation reflects a misunderstanding of POSStPlan. As explained by witness Day, the AEWL calculation includes work attributable to both retail window service and Post Office Box mail distribution. Postal Service Initial Brief at 7; USPS-T-1 at 6, n.6; USPS-LR-N2012-2/2; Tr. 1/87, 90, 142, 154-157, 273-274. The APWU does not provide a detailed description of its proposal regarding the separation of staffing for Post Office Box mail distribution and retail window service, and there are multiple potential interpretations of this proposal. Under one interpretation, adoption of the APWU's recommendation within the construction of the POSStPlan concept could lead to fewer hours of retail window service for customers. For example, if a Level 4 RMPO had 2 hours of AEWL attributable to Post Office Box mail distribution and 2 hours of AEWL attributable to retail window service, under the APWU's recommendation, the RMPO

would offer only 2 hours of retail window service, and not the 4 hours proposed under POSTPlan.

Alternatively, the APWU's recommendation could be interpreted as suggesting that the Postal Service staff RMPOs for more than the time justified by the AEWL calculation. Under this interpretation, a Level 4 RMPO would offer retail window service hours as determined by the AEWL calculation, and be staffed accordingly, but then would be staffed for additional hours to perform Post Office Box mail distribution. Such a recommendation would defeat POSTPlan's goal of matching staffing to workload, and would perpetuate the problem of non-productive, underutilized hours identified by witness Day. Tr. 1/120, 144, 158.

Under both interpretations of the APWU's recommendation for separating Post Office Box mail distribution and retail window service, the APWU would benefit while either postal customers or the Postal Service would suffer. Under the first interpretation, postal customers would likely receive less window service. And under the second interpretation, the Postal Service would likely be prevented from reaping the efficiencies arising from alignment of retail window service hours to customer use.

The APWU's Initial Brief further asserts that "POSTPlan will have a significant effect on APWU-represented employees as well as the APWU itself." APWU Initial Brief at 3.⁶ The APWU explicitly states that the Commission should formalize "improved terms and conditions of employment" in order to ensure that POSTPlan offices are "staffed with career clerks and non-career bargaining unit employees as specifically negotiated by the APWU and the Postal Service in accordance with their collective

⁶ While the APWU does assert that it is an active mailer, it never explains how POSTPlan will actually impact its ability to maintain its current mailing practices. See APWU Initial Brief at 3.

bargaining agreement.” APWU Initial Brief at 16. Such self-serving recommendations are beyond the scope of the Commission’s jurisdiction and are not properly directed at the Commission.⁷

In addition to being beyond the scope of this proceeding, the staffing arguments in the APWU’s Initial Brief suffer from internal inconsistencies. First, the APWU asserts that it is concerned that the Postal Service’s implementation plan is “incomplete and expensive” and one that the “APWU fears will prove to be cost-prohibitive.” APWU Initial Brief at 3. Then, the APWU inexplicably recommends that the Postal Service exercise its “significant financial flexibility” to diminish any anticipated labor cost savings and to provide “more flexible and expansive staffing.” APWU Initial Brief at 16, 18.

Additionally, the APWU misstates the Postal Service’s position with respect to anticipated cost savings in an attempt to support the APWU’s labor interests. It is simply not accurate to state that the “Postal Service was unrelenting that cost savings are only a fortunate consequence, but not a goal of POSTPlan.” APWU Initial Brief at 11. The Postal Service has been clear that it “anticipates that the POSTPlan will provide significant labor cost savings due to lower salary and benefit costs and a reduction in overall retail window hours.” USPS-T-1 at 9. While the goal of improving efficiency and meeting customer need by matching hours and services to community postal needs and use patterns is “not contingent on a specific cost savings estimate or expectation,” the Postal Service has also explained that improving efficiency does, in part, include a reduction in costs. Tr. 1/95, 120. The Postal Service has also made clear that it would

⁷ See Pub. L. No. 109-435, sec. 505(b), 120 Stat. 3236 (2006) (nothing in the Act “shall restrict, expand, or otherwise affect any of the rights, privileges, or benefits of either employees of or labor organizations representing employees of the United States Postal Service under chapter 12 of title 39, United States Code, the National Labor Relations Act, any handbook or manual affecting employee labor relations within the United States Postal Service, or any collective bargaining agreement”).

not pursue POSTPlan if it did not result in savings. Tr. 1/120, 279-280. As such, contrary to the APWU's assertion, the Postal Service does not have "significant financial flexibility" with respect to the ongoing labor cost savings it anticipates from POSTPlan.

Finally, the APWU's recommendation for "improved terms and conditions of employment" reflects the unproven assumption that the Postal Service will have difficulty staffing RMPOs and PTPOs. As explained in Section II.D. above, no record evidence supports such a conclusion and witness Day stated unambiguously that he does not foresee a problem with staffing RMPOs and PTPOs. Postal Service Initial Brief at 14; Tr. 1/42, 75, 206-209, 238-240, 299-300. In summary, the recommendations proposed by the APWU might serve its self-interest, but they would not advance the interests of the Postal Service or mail users. Accordingly, the Commission should reject these suggestions when formulating its Advisory Opinion.

IV. THE REPORTING REQUIREMENTS PROPOSED BY THE PARTICIPANTS WOULD INTERFERE WITH POSTAL SERVICE MANAGEMENT AUTHORITY AND ARE BURDENSOME AND COSTLY.

The APWU, Ms. Mittleman, and the Public Representative request that as part of its advisory opinion, the Commission impose certain reporting requirements on the Postal Service. These suggestions are outside the scope of this service change docket. Section 3661 of title 39 merely provides for the Commission to issue an advisory opinion as to the service change presented. The purpose of this docket is for the Commission to opine as to whether POSTPlan satisfies the statutory criteria of title 39, not to establish new reporting requirements for which there is no underlying legal support.

The APWU proposes that the Postal Service establish, maintain, and make public its operating budget for POSTPlan Offices.⁸ APWU Initial Brief at 19. The APWU further requests that the Commission require the Postal Service to submit this budget for the Commission's review. *Id.* This suggestion erroneously implies that the Postal Service does not create and maintain budgets for its retail facilities. The Postal Service, however, currently budgets for each of its facilities and the implementation of POSTPlan will not affect this process. While there is no specific delineation for just POSTPlan Offices, these Post Offices are included in the overall budget for retail operations.

Ms. Mittleman suggests that the Postal Service should be required to provide "operating, divisional or profit center information" and that the Postal Service failed to provide substantive justification for POSTPlan. Mittleman Initial Brief at 22-23. While the Postal Service is uncertain as to what Ms. Mittleman is specifically suggesting be provided, the Postal Service currently files with the Commission detailed quarterly and yearly financial statements in the form of filed 10-Qs and 10-Ks and other general reports required pursuant to the Commission's Rules of Practice in 39 C.F.R. Parts 3050, 3055 and 3060. The Postal Service also provided written and oral testimony of an expert witness, during which Ms. Mittleman participated in posing questions of witness Day, who explained the justification for POSTPlan. See USPS-T-1 at 2-8; Tr. 1/219. The Postal Service has more than sufficiently explained its rationale, and while Ms. Mittleman may disagree with the Postal Service's position, to assert that the

⁸ The APWU alludes to potential Postal Service liability to the APWU as a result of POSTPlan. APWU Initial Brief at 19. Consistent with section 505 of the Postal Accountability and Enhancement Act of 2006, labor issues are irrelevant to this docket, however. See also 29 U.S.C. § 185 ("Suits for violation of contracts between an employer and a labor organization representing employees . . . may be brought in any district court of the United States having jurisdiction of the parties, without respect to the amount in controversy or without regard to the citizenship of the parties.") .

Postal Service has not provided a substantive justification does not fairly reflect the content of the record.

In addition to reporting on the POSTPlan operations budget, the Public Representative suggests that the Commission order the Postal Service to provide reports about suspensions and staffing. Public Representative Initial Brief at 3. The Postal Service has already furnished information to this effect by identifying POSTPlan Offices that are currently suspended in USPS-LR-N2012-2/11. As the Public Representative notes on page 3 of its initial brief, the Postal Service is continuing to conduct a review of all Post Offices to confirm suspension status and will file an update to USPS-LR-N2012-2/11. This voluntary update will satisfy the Public Representative's request for a report on suspended offices. To the extent the Public Representative insists on institutionalizing this reporting, the Postal Service notes that 39 C.F.R. § 3055.91(a)(4)-(6) already requires that the Postal Service file information regarding emergency suspensions as part of its Annual Compliance Report.

The reporting requirements presented by the APWU, Ms. Mittleman and the Public Representative are outside the scope of this docket. The Commission should accordingly disregard these requests as they are fundamentally unrelated to the Commission's statutory role under 39 U.S.C. § 3661.

V. THE APWU'S ARGUMENTS ARE NOT SUPPORTED BY RECORD EVIDENCE AND RELY ON OVERSTATEMENTS OF WITNESS TESTIMONY.

Despite recognizing that "POSTPlan is conceptually consistent with the overarching legal requirement of maintaining and maximizing postal services for rural communities" and that "the concept of aligning window service hours to actual community and customer use can be sound," the APWU opposes the Postal Service's

proposal because it views POSStPlan as inconsistent with its self-interest. The APWU presents its self-interested opposition to POSStPlan by overstating the Postal Service's testimony. APWU Initial Brief at 1, 3. For example, as already identified in Section II.A. above, contrary to witness Day's testimony that the POSStPlan evaluation process would lead to discontinuance study rarely, if at all, the APWU asserts that the Postal Service did not specify when or why it may determine to conduct a discontinuance study.

APWU Initial Brief at 8.

The APWU's Initial Brief is replete with additional characterizations of Postal Service testimony that find no source in record evidence. For example, the APWU incorrectly asserts that witness Day acknowledged "the impossibility for an office to demonstrate more demand for its services." APWU Initial Brief at 7 (citing Tr. 1/190). Here, however, the record makes clear that the reclassification of window service hours operates in both directions, allowing offices with an increase in AEWL to increase window service hours. Specifically, witness Day testified that the POSStPlan "automatically build[s] in for a consideration of increase in hours;" thus, when customers make greater use of an office, the office could graduate to a higher level. Tr. 1/191; see *also* Section II.C.2. above.

The APWU also inaccurately relies on witness Day's testimony to support its assertion that the Postal Service is "not analyzing data it has on the time of day and type of transactions that occur at these offices to determine the hours of operation." APWU Initial Brief at 6 (citing Tr. 1/144). However, witness Day's testimony only states that it is true that "at least some of the offices" capture the identified data, not that all offices do. Tr. 1/144.

The APWU continues this practice on page 9 of its Initial Brief when asserting that the Postal Service made a series of costly “commitments” regarding POSTPlan to support the APWU’s position that the implementation plan was incomplete and expensive. APWU Initial Brief at 9. However, the identified “commitments” are overstated and not supported by the record.⁹ For example, the APWU asserts that witness Day committed to “having in place Village Post Offices (‘VPOs’) to supplement the sale of stamps lost with a reduction in window hours before or at the time a realignment is implemented in a particular office.” *Id.* (citing Tr.1/265, 287). However, in the testimony cited by the APWU, witness Day actually states that the Postal Service will “make a maximum effort to get village post offices in those communities.” Tr. 1/265. This is because, while an admirable goal, there are communities in which VPOs are not a viable option.

The APWU also asserts that witness Day committed to “renovating and retrofitting lobby areas of any realigned post office to provide customers with safe and secure 24/7 access to post office boxes.” APWU Initial Brief at 9 (citing Tr. 1/186, 326). As explained in Section II.B. above, witness Day’s testimony has consistently been that the Postal Service will maintain, or in some cases increase, customer access to delivery. Postal Service Initial Brief at 13; Tr. 1/62, 67, 250-251, 286-287, 326. The Postal Service never committed to 24/7 access.

Similarly, the APWU asserts that witness Day committed to “retrofitting the lobbies of POSTPlan offices with secure receptacles to enable customers to collect packages outside of the reduced window hours.” APWU Initial Brief at 9 (citing

⁹ The Postal Service does not agree with the APWU’s identification of these considerations as commitments by the Postal Service. The record evidence makes clear the Postal Service’s plans to mitigate the impact of POSTPlan to customers.

Tr. 1/251, 306, 326). The testimony cited, however, only supports the availability of parcel lockers at VPOs and the Postal Service's willingness to consider an identified need for installing parcel lockers. Tr. 1/306, 326. Again, this is because such a demonstrated need does not exist in each community.

As another example, the APWU asserts that witness Day committed to "retrofitting buildings with energy efficiency devices to maximize utility savings when the office is not open." APWU Initial Brief at 9 (citing Tr. 1/285). Again, while this might be an admirable goal, witness Day only stated that the technology was available and that use of the technology could lead to utility savings. Tr. 1/285.

As illustrated by these examples, the APWU's characterization of record evidence does not withstand scrutiny. Its efforts to characterize POSTPlan as incomplete and expensive collapse once compared to the record evidence that does not support the APWU's assertions.

VI. MR. POPKIN'S OBSERVATIONS ARE UNSUPPORTED BY THE RECORD.

At page 1 of his Initial Brief, Mr. Popkin questions the market research survey. He apparently believes that customers who selected the option of closing their Post Office and obtain services at a nearby Post Office misunderstood the question. There is no record support for this observation. The market research survey results speak for themselves. Today, customers have more options for obtaining Postal Services and are increasing their use of such options that serve as alternatives to their community Post Offices. Option 1 of the survey presents a choice that customers are already electing. Thus, there is no basis to believe that customers did not understand the question.

Mr. Popkin raises a number of service concerns including: 1) incoming mail being placed in Post Office Boxes; 2) incoming mail being sorted for delivery routes; 3) the dispatch and collection of mail; and 4) servicing customers who call about accountable mail and parcels. Not only are these concerns unfounded; it is also unclear what relationship most of these concerns have with POSTPlan. The Postal Service has explained that it does not anticipate these services being affected by the implementation of POSTPlan, with the exception of sorting mail for delivery routes and placing mail in delivery receptacles.¹⁰ Tr. 1/53-54, 222. Current Postal Service policies and procedures regarding the dispatch and collection of mail will remain in effect and unchanged as a result of POSTPlan. Tr. 1/53-54, 222. The record demonstrates that customers will continue to have regular and effective access to accountable mail and parcels. Tr.1/69-71.¹¹ Moreover, during the implementation period of POSTPlan, the Postal Service will not change Saturday retail window hours. Tr.1/33,111. Thus, the Postal Service has furnished sufficient information to address all of Mr. Popkin's concerns.

Finally, Mr. Popkin raises concern about the combined effect of proposed service changes presented in other dockets. In doing so, he provides an extreme and unlikely hypothetical to depict how long it could take for a letter to be delivered. He provides no

¹⁰ The only services that may potentially be affected are the sorting of mail for delivery routes and "box up" time, *i.e.* the time when mail is normally delivered to mail receptacles. The sorting of mail for delivery routes and "box up" time will occur during the hours of operation. Thus, it will largely depend on the operational needs and preference of the community. The Postal Service has included notification to customers in the Customer Survey that the "box up" time could be affected by the range of hours selected. Tr.1/157; USPS-LR-N2012-2/13. Thus, the effects that POSTPlan may have on these services will be conveyed to customers in advance and thoughtfully considered prior to any decision being made to realign retail window service hours.

¹¹ Accountable mail and parcels generally may be left in parcel lockers, redelivered to the customer or an alternative address using PS Form 3849, picked up by an agent using PS Form 3849, or sent to a neighboring Post Office. Tr.1/69-71,126, 322. Additionally, Village Post Offices (VPOs) with parcel lockers are available to some customers.

basis for the Commission to conclude that his scenario would ever affect more than an infinitesimally small percentage of volume. In fact, as record evidence reflects, the Postal Service does not anticipate that POSTPlan will have any effect on service standards. See Tr.1/297.

VII. CONCLUSION

For the foregoing reasons, the Postal Service submits that the Postal Regulatory Commission should opine that it has received substantial evidentiary record of the factual and policy bases for the planned changes and why those changes reflect a reasonable balancing of the various service and efficiency objectives of title 39, United States Code. The Commission should find that the parties opposed to the changes have raised concerns, but have offered insufficient evidentiary, policy and legal arguments to justify a different conclusion. Accordingly, the Postal Service respectfully requests that the Commission issue an opinion that is based on a properly-defined evidentiary record and that advises that the changes under review are ones that the policies of title 39 permit the Postal Service to implement.

Respectfully submitted,

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