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POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY

**DFC-LR-2**

**Correspondence with the Postal Service  
Concerning Removal of Collection Boxes  
in Santa Cruz, California**

PO Box 7868  
Santa Cruz CA 95061-7868  
April 1, 2002

Mr. Winton Burnett  
District Manager  
United States Postal Service  
San Jose District  
1750 Lundy Avenue  
San Jose CA 95101-7000

Dear Mr. Burnett:

I am writing to request your assistance in resolving problems with Postal Service collection services in Santa Cruz. As I will explain in this letter, changes in collection services implemented in March 2002 do not comply with the minimum national service standards prescribed in Chapter 3 of the *Postal Operations Manual*. A memo (copy enclosed) dated July 23, 1999, from W. J. Bothwell, manager, Delivery Policies and Programs at Postal Service headquarters, confirms that the national service standards are mandatory for city-delivery offices. I will explain the numerous shortcomings in collection services in Santa Cruz that now exist and identify the corrections that are necessary.

First, according to POM § 322.1, every collection box that receives an average of 100 pieces of mail or more on weekdays must have a final weekday collection at 5:00 PM or later. Several boxes in Santa Cruz that undoubtedly receive an average of 100 pieces of mail or more on weekdays have a final weekday collection at 3:00 PM. The final weekday collection time on several of these high-volume boxes was changed in March 2002 from 5:00 PM to 3:00 PM. As a result, I do not believe that any street collection boxes except those located at postal facilities have a final weekday collection time later than 3:00 PM. Paragraph 2 of the Bothwell memo leaves no doubt that customers in Santa Cruz are entitled to a weekday collection at 5:00 PM or later at every collection box that receives an average of 100 pieces of mail or more on weekdays.

The absence of street collection boxes with collection times later than 5:00 PM leads to another problem: Some customers now must travel more than two miles in the city to find a collection box that has a weekday collection at 5:00 PM or later. POM § 322.22(a) limits to two miles the distance that any customer must travel from his or her home to a collection box that has a final weekday collection time at 5:00 PM or later.

Second, the Postal Service improperly changed the final weekday collection time at the main post office from 6:00 PM to 5:00 PM. In addition, the Postal Service changed the final collection time at the post office on Saturdays from 5:45

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PM to 5:00 PM. The departure time of the final dispatch truck has not changed. A truck still departs from Santa Cruz at 7:00 PM on weekdays. This late-evening dispatch is necessary to transport mail to the San Jose P&DC from the East Santa Cruz Station, the Scotts Valley Branch, and perhaps other post offices in Santa Cruz County. In addition, when collections at 5:00 PM or later are restored around the city, a dispatch at 6:30 PM or 7:00 PM will continue to be necessary to transport this mail to the San Jose P&DC. Therefore, the former collection times at the post office must be restored. The final page of the Bothwell memo states in no uncertain terms that collection schedules must be set *as late in the day as possible*. The memo reminds district staff that the objective of collection activities is to "collect mail as late in the day as possible with schedules arranged consistent with requirements of the local community and timely handling of mail at the processing point." The memo also prohibits scheduling collections earlier than is logically necessary. I have no doubt that Santa Cruz residents need a final collection at the post office later than 5:00 PM. Moreover, since the dispatch times have not changed and will not change, a final collection at 5:00 PM is not as late in the day as possible. Paragraph 4 of the Bothwell memo confirms my understanding of the meaning of the phrase "as late in the day as possible." The memo states that a collection time two hours before the dispatch truck departs "falls well short of the requirement of performing collections as late in the day as possible." The final collection time at the Santa Cruz post office should be 15 to 30 minutes before the final dispatch truck departs. The current final collection times at the Santa Cruz post office are not as late in the day as possible, and therefore they do not comply with Postal Service policy.

The third problem with the revised collection schedules is that collection boxes are scheduled with uniform collection times of 3:00 PM on weekdays and 3:00 PM on Saturdays. According to POM §§ 313.2 and 313.3, collections should be made "no later than 20 minutes after the posted collection time." The Postal Service is not collecting all the collection boxes in Santa Cruz between 3:00 PM and 3:20 PM. Collection schedules should be staggered so that a box that will never be collected before 5:15 PM or 5:30 PM will have a posted final collection time at 5:15 PM or 5:30 PM. The last page of the Bothwell memo confirms that collection boxes should be posted with a time not more than 20 minutes prior to the collector's normal arrival time.

The fourth problem is the absence of Saturday collections from some collection boxes. Paragraph 6 of the Bothwell memo confirms that every collection box must have a Saturday collection if the box is accessible on Saturdays. Several collection boxes in Santa Cruz do not have a Saturday collection, even though the boxes are accessible on Saturdays.

The fifth problem concerns removal of collection boxes. A large number of collection boxes was removed from service in March 2002. Postal Service policy permits removal of collection boxes when the collection boxes receive an average of 25 pieces of mail or fewer per day. See POM § 315.4. Based on my knowledge of Santa Cruz, I believe that collection boxes that received at least 25 pieces of mail per day were removed. Removal of collection boxes that receive at least 25 pieces of mail per day is unwarranted. The 25-piece minimum reflects current Postal Service policy. In fact, a January 17, 2002, memo (copy enclosed) from Henry A. Pankey, vice president, Delivery and Retail, explains that the headquarters staff wish to collect data to allow the Postal Service to evaluate whether a revised minimum density might be appropriate. The memo requests that field offices conduct studies and develop a *contingency plan* for removing boxes that do not meet criteria that might be selected. The memo does *not* authorize the widespread removal of collection boxes that has occurred in Santa Cruz and elsewhere in the San Jose District. Removal of these collection boxes by the San Jose District was premature, as the Postal Service would need to obtain an advisory opinion from the Postal Rate Commission before revising the minimum density specified in POM § 315.4. The Postal Reorganization Act provides for a public hearing at the Postal Rate Commission before the Postal Service implements a change in the nature of postal services that will generally affect service on a nationwide or substantially nationwide basis. See 39 U.S.C. § 3661(b). Based on my active participation in Postal Rate Commission litigation, I can confirm that the Postal Service has not requested an advisory opinion yet.

In sum, the collection services that the Postal Service implemented in Santa Cruz deny customers the minimum level of service that Chapter 3 of the POM prescribes. Indeed, the changes are unwise. As the Postal Service struggles to retain volume and repel threats to First-Class Mail volume from electronic alternatives, the Postal Service needs to make First-Class Mail more attractive and more competitive. The changes that the Postal Service recently implemented in Santa Cruz will accomplish exactly the opposite, and they will accelerate declines in revenue and volume. Moreover, by eliminating 5:00 PM collections around Santa Cruz, the Postal Service will force more people into their cars to drive their mail to the post office for a late-afternoon collection. Traffic congestion already was a problem of increasing concern to residents and city leaders in Santa Cruz before these changes were implemented. Finally, in response to episodes of mail and identity theft, the Postal Inspection Service advises customers to deposit outgoing mail in collection boxes instead of leaving it in their home mailbox for their carrier to collect. Removal of collection boxes increases the risk of mail theft.

Mr. Winton Burnett  
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I request that you review the changes in collection schedules and promptly implement changes to restore the level of collection services that the POM mandates.

I look forward to receiving your reply by April 23, 2002.

Thank you.

Sincerely,



Douglas F. Carlson

July 23, 1999

MANAGERS, DELIVERY PROGRAMS SUPPORT (AREA)

SUBJECT: Early Last Pick-Up Times on Collection Boxes/Points


Surveys conducted during recent field visits, focusing on last collection times displayed on collection boxes/points, clearly indicate that some offices are not adhering to the National Service Standards outlined in Chapter 3 of the Postal Operations Manual (POM). These standards are not optional for city delivery offices. Their degree of application to non-city delivery offices is determined by the district manager or his/her designee.

Some of the most frequently noted problems during these visits are listed in the attachment.

Would you please forward these findings to the appropriate manager within each cluster to ensure that scheduled and/or posted collection times are in accordance with the requirements as outlined in the Postal Operations Manual.

All questions concerning the POM requirements, as well as the attached list of problems, may be directed to Doug Wynkoop at (202) 268-2463.

Thank you in advance for your assistance.

  
W. J. Bothwell  
Manager  
Delivery Policies and Programs

Attachment

## Irregularities Identified During Field Visits

1. Weekday collection times displayed on collection boxes at post offices, stations, and branches are earlier than 5:00 PM as required by the POM;

All collection boxes located in front of main post offices, stations, and branches are required to display a last pickup time decal of 5:00 PM or later for weekday collections (POM 322.22.b).

2. Collection boxes that receive a daily average of 100 pieces of mail per weekday have a final weekday collection prior to 5:00 PM;

In addition to the requirement that all collection boxes located in front of main post offices, stations, and branches display a last pickup time decal of 5:00 PM or later for weekday collections, all collection boxes that generate a daily average of 100 or more pieces on weekdays and boxes needed to meet the requirements in 322.2 regardless of volume must also display a last pickup time decal (POM 322.1). POM 322.22.a further states that time decal boxes will be located in business areas or on main thoroughfares so that customers do not have to travel more than approximately 2 miles from their homes to a box displaying a last pickup time decal. All collection boxes meeting the above criteria are required to display a last pickup time decal and are required to have a 5:00 PM or later collection performed Monday through Friday.

3. Many post offices do not use the required last pickup time decals as required by the POM;

The use of last pickup time decals as specified in POM 322.1 and 322.22.a & b is not optional; all of the collection boxes identified in these sections must display these decals and have a collection performed at 5:00 PM or later.

4. Saturday collections from collection boxes located at main post offices, stations, and branches are not performed as late in the day as possible;

Saturday collections from last pickup time decal collection boxes located at main post offices, stations, and branches should be as frequent as necessary with the last collection from each box as late in the day as possible but in no case earlier than 1:00 PM or 3:00 PM (POM 322.232 and 322.342 respectively). Main post offices, stations, and branches, having delivery personnel returning from street duties during mid to late afternoon on Saturday's, have a later evening dispatch scheduled for mail picked up by letter carriers during delivery as well as all other remaining outgoing mail in the office. This dispatch may be provided by PVS or may originate from the office after all carriers have returned for the day. Offices with a scheduled dispatch departing from the office at 5:00

PM with all remaining outgoing mail should not be posting Saturday's last pickup of the day on collection boxes at either 1:00 or 3:00 PM; rather, the posted time should be 4:30 to 4:45 PM allowing just enough time to get the collection box mail on the dispatch. Posting any time earlier than necessary to connect with the scheduled 5:00 PM dispatch falls well short of the requirement of performing collections as late in the day as possible.

5. Saturday collections from last pickup time decal collection boxes located at other than postal facilities are not performed as late in the day as possible;

All collection boxes that generate an average of 100 or more pieces on weekdays and boxes needed to meet the requirements of POM 322.2 regardless of volume must display a last pickup time decal of 5:00 PM or later for weekday collections (POM 322.1). POM 322.2(a) states that last pickup time decal collection boxes must be located "where needed in business areas or on main thoroughfares so that customers do not have to travel more than approximately 2 miles from their homes to a box displaying a last pickup time decal".

It is evident that Saturday collections from many collection boxes, that meet and/or exceed the criteria for last pickup time decals, are being performed by letter carriers during their normal delivery duties; frequently, collection times displayed on the box were well before the 1:00 PM or 3:00 PM requirement in POM 322.232 and 322.342. If any other means exist that would allow for a later collection from these boxes on a Saturday (such as a collection route or interstation run, etc.), these "last pickup time decal" collection boxes must be picked up as late in the day as possible. The posting of any time earlier than specified in the POM, or where opportunities exist to collect these boxes later in the day, falls well short of the requirement of performing collections as late in the day as possible.

6. Collection boxes have no Saturday collection displayed on the collection time decal;

POM 322.232, 322.342, and 323.41 clearly indicate that mail is to be collected from each collection box at least once Monday through Saturday. Dependent upon volume levels generated, time decal boxes and some other boxes are collected more than once daily when local managers determine it is warranted. The only exception to this rule is that some boxes and mailchutes, due to location, are not accessible on Saturdays; this commonly occurs in industrial parks where buildings and complexes are locked down or gated for security reasons. If the collection box or mailchute exists, and is accessible on Saturday, it must be collected.



Collection requirements in the Postal Operations Manual specify that schedules for the collection of mail are to be arranged, consistent with the requirements of the local community and timely handling of the mail at the processing point.

Scheduling the last pick-up of the day for a vast portion of collection boxes/points earlier in the day than necessary falls well short of that requirement, especially in those instances when the mail is actually collected several hours later.

Collection schedules must be set as late in the day as possible, thus allowing customers time to deposit their mail while still providing sufficient time for its collection and handling at the processing point. Collection boxes/points, which are pulled by letter carriers during the course of their rounds, should be scheduled for pick-up approximately twenty minutes prior to the carriers normal arrival time. Or, if the carrier passes the box on the way back to the office, the box should be scheduled for pick-up at the end of the route with a posted pick-up time approximately twenty minutes before the carrier normally completes the route. Those boxes/points having sufficient volume to warrant assignment to a collection route (all day or evening) should also be scheduled with a posted pick-up time approximately twenty minutes prior to the collectors normal arrival time.

The posting of collection times earlier than that specified in the POM, or earlier than logically necessary, makes it very easy for customers to conclude that many collection boxes/points collection times have been shifted to an earlier last pickup time to circumvent the external measurement system. Area and District staff should take the appropriate action to ensure that all delivery units in their areas are familiar with the requirements outlined in Section 3 of the Postal Operations Manual, and that collection times are scheduled in full compliance with same. They should be reminded that the objective of the Postal Service's collection activities is to collect mail as late in the day as possible with schedules arranged consistent with requirements of the local community and timely handling of mail at the processing point.



April 22, 2002

Douglas F. Carlson  
P. O. Box 7868  
Santa Cruz CA 95061-7868

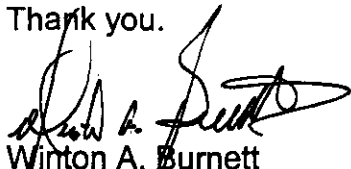
Dear Mr. Carlson:

Thank you for your letter of April 1, 2002. The Postal Service is currently monitoring the collection schedule changes and removals made in Santa Cruz. This is an ongoing process and will be continually reviewed. Some boxes may be returned at or in close proximity of their former locations as needs are determined. Also, a process is presently being implemented requiring any and all collection changes be reviewed and approved by the immediate Operational Manager and the District's Manager, Operation Program Support. This will preclude the inappropriate removal of any collection boxes.

Our San Jose mail processing facility has reorganized their operation to more effectively meet established delivery service standards. A large percentage of Collection Mail must arrive in San Jose earlier than in the past to facilitate this reorganization.

The Postal Service is indeed in a state of change and must explore any and all operational changes that will enable us to be financially solvent and provide the same level customer service that are patrons expect and deserve. Our goal continues to be providing our customers with the best service possible.

Thank you.



Winton A. Burnett  
District Manager, Customer Service and Sales  
San Jose District

PO Box 7868  
Santa Cruz CA 95061-7868  
April 29, 2002

F. D. Porter-Butterfield  
Manager, Delivery Programs Support  
United States Postal Service  
Pacific Area  
400 Oyster Point Blvd  
South San Francisco CA 94099-4200

Dear Mr. Porter-Butterfield:

Thank you for your assistance last summer in resolving a problem with the final collection time on Saturdays at the main post office in Anaheim. I am confident that hundreds, if not thousands, of postal customers have benefited from your effort to ensure that the final collection time on Saturdays was as late in the day as possible.

Unfortunately, I now must request your assistance once again to resolve a larger service problem, this time in Santa Cruz. This problem is reminiscent of a similar problem that you resolved in Berkeley, Walnut Creek, and Lafayette in 1999.

I have enclosed a copy of my letter dated April 1, 2002, to Mr. Winton Burnett, district manager of the San Jose District. My letter identified five categories of problems associated with changes in collection services that the Postal Service implemented in Santa Cruz in late March 2002:

1. The final collection time on collection boxes that receive an average of 100 pieces of mail or more on weekdays was changed from 5:00 PM to 3:00 PM. As you know, POM § 322.1 requires a final weekday collection at 5:00 PM or later for these high-volume, or "time-decal," boxes. Santa Cruz now has no 5:00 PM collections around the city except at post offices. As a result, some customers must travel more than two miles to find a collection box that has a weekday collection at 5:00 PM or later. This situation is inconsistent with POM § 322.22(a).
2. The Postal Service changed the final collection time at the Santa Cruz main post office on weekdays from 6:00 PM to 5:00 PM. This change was entirely unnecessary because the dispatch truck still departs at 7:00 PM, as it has for years. Therefore, a final collection at 5:00 PM is not as late in the day as possible. The Postal Service also changed the final collection time at the main post office on Saturdays from 5:45 PM to 5:00 PM. This collection time also is not as late in the day as possible because the dispatch truck still departs at 6:30 PM or later.
3. Collection boxes are scheduled with uniform collection times of 3:00 PM on weekdays and Saturdays. POM §§ 313.2 and 313.3 require collections to be

made "no later than 20 minutes after the posted collection time." The Postal Service is not collecting all the collection boxes in Santa Cruz between 3:00 PM and 3:20 PM. I encourage you to check recent records, as I believe that some collection boxes are being collected considerably later than 3:20 PM. Customers are denied collection services beginning at 3:00 PM, even though the collections are not being made at the time posted on the collection boxes. When 5:00 PM collections are restored, they must be staggered (e.g., 5:15 PM and 5:30 PM) to ensure that collections are made within 20 minutes after the posted collection times.

4. Some collection boxes that are accessible to the public on Saturdays do not have a Saturday collection. All collection boxes that are accessible to the public on Saturdays must have a Saturday collection.
5. The Postal Service removed approximately one third of the collection boxes in Santa Cruz. I suspect that many of the collection boxes received 25 or more pieces of mail per day. POM § 315.4 permits removal of collection boxes when collection boxes receive less than 25 pieces of mail per day. A January 17, 2002, memo from Henry A. Pankey, vice president, Delivery and Retail, confirms that the 25-piece minimum is still the operative policy.

Please refer to my letter to Mr. Burnett for additional details on why the changes in collection services violate Postal Service policies. My letter to Mr. Burnett also cites the sources of the policies referenced above.

The changes described above violate the minimum national service standards for collections that Chapter 3 of the POM prescribes. As recently as July 23, 1999, Mr. W. J. Bothwell, manager, Delivery Policies and Programs at Postal Service headquarters, sent a memo (copy enclosed) to officials in your position at each area office confirming that the POM requirements are *mandatory* for all city-delivery offices. I am not aware of any changes to the national service standards prescribed in the POM, nor, to the best of my knowledge, has any official at Postal Service headquarters announced that the national service standards are no longer applicable.

Mr. Burnett replied to my letter on April 22, 2002. I have enclosed a copy of his letter. Mr. Burnett ignores the substance of the issues and does not respond to my concerns. Moreover, Mr. Burnett makes some puzzling statements. First, Mr. Burnett indicates that the San Jose P&DC has "reorganized their operation to more effectively meet established delivery standards. A large percentage of Collection Mail must arrive in San Jose earlier than in the past to facilitate this reorganization." I follow quarterly EXFC data fairly closely. San Jose's on-time performance for overnight delivery was 94.8 percent for the period from September 8, 2001, to November 30, 2001, and 94.47 percent for the period from December 1, 2001, to February 22, 2002. These measurement periods preceded the changes in collection times in Santa Cruz. With a

national on-time percentage of 93.46 percent in the latter measurement period, it is far from clear that any service problem existed in San Jose, let alone a problem so serious that it required the drastic solution of denying postal customers the level of collection service to which they are entitled under the national service standards. If low two-day and three-day delivery scores are the problem, I have always understood these problems to be related to transportation. An earlier arrival profile of collection mail is not likely to affect two-day and three-day delivery scores.

The second and more-fundamental problem with this "reorganization" is that any reorganization of mail processing in San Jose should have been designed to meet established delivery standards *while also upholding the national service standards for collections*. If the San Jose P&DC is now unable to meet delivery standards with an arrival profile of collection mail that will uphold the national service standards for collections, the San Jose P&DC needs to revisit this reorganization plan. Alternatively, perhaps the response of the Oakland District in 1999 for Walnut Creek and Lafayette provides a model solution: restore final collections at 5:00 PM, but retain 3:00 PM collections to allow this mail to be transported to the P&DC earlier in the day. In short, Mr. Burnett's justification for the drastic changes in Santa Cruz is unpersuasive.

Mr. Burnett also asserts that the Postal Service "must explore any and all operational changes that will enable us to be financially solvent and provide the same level customer service that are [sic] patrons expect and deserve." I do not disagree with this statement. In fact, I *agree* that the Postal Service must provide the "same" level of customer service that patrons expect and deserve. Postal customers expect and need 5:00 PM collections from time-decal collection boxes, as 5:00 PM collections meet the needs of business customers who deposit the day's outgoing mail at the end of the business day. Customers also need a 6:00 PM collection on weekdays at the Santa Cruz post office because many people end their working day at 5:00 PM and must travel to the post office to deposit their mail. They cannot arrive by 5:00 PM. I also agree that customers *deserve* the same level of customer service as they had previously — e.g., 5:00 PM collections from time-decal boxes around the city. However, the changes in collection services that Mr. Burnett supports do not provide customers with the level of collection services in Santa Cruz that they deserve. Rather, the changes undermine his stated goal of providing the "same" level of service that customers "expect and deserve."

If the Postal Service someday wishes to change the national service standards for collections and abandon, for example, the requirement of 5:00 PM collections for time-decal boxes, this change undoubtedly would constitute a change in the nature of postal services that would affect service on a nationwide or substantially nationwide basis. The Postal Reorganization Act, the federal statute that governs the Postal Service, requires the Postal Service to obtain an advisory opinion from the Postal Rate Commission before implementing such a change in the nature of postal services. 39 U.S.C. § 3661(b). In response to a Postal Service request for an advisory opinion, the


Postal Rate Commission would hold a public hearing that would evaluate the proposed change to determine the effect of this change on mailers and the Postal Service. This advisory-opinion process would avoid the unilateral nature of the change that postal customers in Santa Cruz experienced in March. The process also would evaluate whether changes in collection services would diminish the value of First-Class Mail service and make the service less competitive, thus exacerbating the projected decline in First-Class Mail volume.

The Postal Rate Commission currently is hearing two complaints that I filed under 39 U.S.C. § 3662. These complaints allege, among other points, that the Postal Service changed the nature of postal services without first obtaining an advisory opinion from the Postal Rate Commission. You may be aware of my complaint concerning holiday collection services, as the Pacific Area assisted in the discovery process last summer. The other complaint concerns changes in two-day and three-day service standards for First-Class Mail that the Postal Service implemented in 2000 and 2001.

Fortunately, I do not believe that the Postal Service has changed the national service standards governing collections. If I am correct in understanding that the national service standards contained in Chapter 3 of the POM are still mandatory, as Mr. Bothwell confirmed in 1999, I request your assistance in resolving the five categories of problems with collection services in Santa Cruz that I identified earlier in this letter. If, however, the national service standards are no longer mandatory and Mr. Bothwell's memo has been superseded, I would appreciate if you would confirm this fact and provide copies of documents that reveal or explain this change in policy.

As always, I appreciate your time. Your efforts ensure that First-Class Mail, the Postal Service's most-important product, remains as competitive as possible and that customers receive the level of collection service to which they are entitled.

Sincerely,



Douglas F. Carlson

Enclosures

PO Box 7868  
Santa Cruz CA 95061-7868  
November 18, 2002

F. D. Porter-Butterfield  
Manager, Delivery Programs Support  
United States Postal Service  
Pacific Area  
400 Oyster Point Blvd  
South San Francisco CA 94099-4200

Dear Mr. Porter-Butterfield:

On April 29, 2002, I mailed you a letter in which I requested your assistance in resolving problems with collection services in Santa Cruz. As I explained in my letter, the district manager of the San Jose District declined to resolve the problems in response to my initial service complaint dated April 1, 2002.

To date, I have not received your response to my letter. Moreover, except for item 2 in my letter dated April 29, 2002, the problems have not been resolved. Since I wrote to you, only the final collection time at the Santa Cruz post office — item 2 — has been restored to 6:00 PM, and the Saturday collection time has been changed from 5:00 PM to 6:00 PM. The other issues in my letter remain unresolved, and the collection services in Santa Cruz remain inconsistent with the national service standards specified in Chapter 3 of the POM.

I look forward to learning the outcome of your review of my service complaint.

Thank you for your time.

Sincerely,



Douglas F. Carlson