

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

POSTAL RATE AND FEE CHANGES  
PURSUANT TO PUBLIC LAW 108-18

Docket No. R2005-1

UNITED STATES POSTAL SERVICE REPLY IN OPPOSITION TO  
AMERICAN POSTAL WORKERS UNION MOTION TO COMPEL RESPONSES TO  
INTERROGATORY APWU/USPS-T1-9  
(March 7, 2006)

The United States Postal Service hereby responds to the February 28, 2006, motion of the American Postal Workers Union, AFL-CIO (hereinafter, APWU) seeking to compel the provision of data requested in the following interrogatory: APWU/USPS-T1-9. For the reasons explained below, the motion should be denied. Rather than repeat the arguments offered contemporaneously with its February 23, 2006, objection to this interrogatory, the Postal incorporates them by reference here.

For each of the at least 300 mail processing facilities identified in the Postal Service's February 22, 2006, response to DBP/USPS-14, APWU/USPS-T1-9 requests that the Postal Service provide data reflecting:

- (a) its square footage;
- (b) the number of floors on which mail processing operations occur;
- (c) the type of mail currently processed at each facility;
- (d) the type and number of mail processing equipment in use at each facility;
- (e) the mail processing complement by craft; and
- (f) the monthly average volume of mail processed by type for the most recent 12-month period.

At page 18 of its motion to compel, APWU argues that the requested facility-specific data regarding the square footage, the number of floors, the types of mail processed, the number of each type of mail processing equipment, the number of clerks and mailhandlers at each facility, and the average monthly volume of mail by type “are relevant to a complete understanding of the END process and its potential impact.”

However, if APWU were merely interested in an understanding of the Evolutionary Network Development *process*, it would simply ask for further clarification from witness Shah (USPS-T-1) regarding the *manner* in which any such data are actually utilized in developing potential END model outputs reflecting potential roles of facilities in a future network configuration that are considered in the Area Mail Processing (AMP) review process.

At issue in this proceeding is whether changes in the application of current service standard definitions to numerous 3-digit ZIP Code pairs -- that are expected to result from potentially nationwide operational changes implemented in pursuit of the Postal Service’s Evolutionary Network Development (END) strategy -- would conform to the policies of the Postal Reorganization Act. As is clear from the testimony of witness Williams (USPS-T-2), the Postal Service plans to use outputs from its END model to assist in the development of proposals for the consolidation of mail processing and transportation operations at facilities throughout the mail processing network. Each local proposal then will be subjected to a centrally directed application of the Postal Service’s Area Mail Processing review procedures (USPS Library Reference N2006-1/3) for the purpose of determining its feasibility. The testimony of witness Shah (USPS-T-1) describes potential roles in the future mail processing network for existing

facilities. His testimony describes the outputs produced by the END model and the variables that influence those outputs. The testimony of witness Williams explains how potential outcomes suggested by the END model are utilized in determining proposals that are analyzed under the AMP review process. Combined, their testimony makes clear that, until such time as a potential role for any existing facility is proposed and analyzed, its future network role cannot be known.

At page 19, APWU argues that disclosure of the requested data “will provide the Commission with a clearer picture of the current network and therefore enable it to better understand the process and criteria by which the Postal Service intends to realign its network.” On the same page, APWU also argues that the data it has requested might be useful for the purpose of engaging in more informed speculation about the fate of such facilities as the Processing & Distribution Center in Boston.

The Postal Service considers that the testimony of witness Shah has provided a sufficiently clear basis for the Commission and the parties to understand the current mail processing network on a level detail sufficient for the purposes of this docket. The purpose of this proceeding is not for the Commission to sit in judgment and to either suggest or second-guess specific personnel or equipment utilization decisions or to assess whether Processing & Distribution Center A or Bulk Mail Center B would be better suited to serve as a Regional Distribution Center in the future network. Such decisions are left to the sole discretion of postal management, which had provided testimony clearly explaining why and how it will go about making such decisions and the criteria that will be employed. It is the Postal Service’s view that the purpose of the instant docket is to permit the Commission to assess the stated goals of the Postal

Service's network realignment plan, to examine the processes that will be employed to pursue those goals, to gain an understanding of the types of potential service impacts that may result from network realignment, and to offer its expert judgment regarding whether the resulting service changes would conform to the policies of the Postal Reorganization Act.

As for APWU's desire for a *complete* understanding of the *potential impact* of the use of the END model, there is no way to satisfy that request short of immediately completing each of the facility-specific AMP reviews that will be otherwise be scheduled and conducted over the next several years, and instantly determining all of the personnel changes, equipment relocations, operational consolidations, transportation changes, and service standard changes that such studies would produce. As the collective bargaining representative for hundreds of thousands of postal employees who may be anxious about operational changes that may have an impact on them in the next several years, APWU has an understandable desire to know all that can be known as early as possible. Accordingly, wholly independent of the § 3661 process, the Postal Service and APWU have a collective bargaining agreement that spells out the manner in which the Postal Service must inform the union at the national and local level of its intent to conduct AMP studies and any decisions resulting from those studies which have personnel impacts. And, as indicated at page 3-4 of the Postal Service's February 14, 2006, Docket No. N2006-1 motion for the adoption of a proposed procedural schedule, the Postal Service intends to inform APWU of those determinations before making them public in this docket or elsewhere. However, APWU's pursuit of

information within the context of Docket No. N2006-1 must be attuned to the important, but limited purposes of § 3661 review.

The relevance of APWU's discovery request must be assessed in light of the important, but limited purposes of this proceeding, which are to review the *process* and the *criteria* employed by postal management in determining operational changes that result in service changes. Such objectives can be achieved without knowing, on a postal facility-by-facility basis, the ratio of clerks to mailhandlers, the number of optical character readers vs. facer-cancellers vs. flat sorters, the square footage, or the average monthly volume of letters, flats and parcels processed. The Postal Service has identified the types of facility-specific data that are utilized in the END model and the AMP review process. The relevant types of data having been identified, the issue before the Commission is to examine *how* the Postal Service, in its discretion, proposes to use such data in making judgments about the location of various operations in the evolution of its mail processing network. Contrary to the assertions of APWU, it is not necessary to the Commission's role in the § 3661 review process for it to parse through the data requested in APWU/USPS-T1-9 on a facility-by-facility basis.

At page 20 of its motion, APWU complains that the schematic diagrams provided in Figures 1 and 3 of USPS-T-1 do not "adequately inform the Commission of the actual makeup of the postal network." APWU somehow discounts the Postal Rate Commission's institutional expertise in understanding the postal mail processing network, based upon more than three decades of experience in assessing mail processing operations that serve as the foundation for the Domestic Mail Classification Schedule and Rate Schedules. APWU also ignores the extensive descriptive materials

and mail processing network analysis reflected in the General Accountability Office audit report filed as USPS Library Reference N2006-1/7.

Later on page 20, APWU argues that “[i]t would be disservice for the Commission to permit the Postal Service to present its plans only in the form of abstractions.” In response, the Postal Service can only ask: What are policy objectives and the plans for achieving them but abstractions? The nature of the § 3661 review process is such that the Postal Service must submit statements of policy *objectives* and the operational *plans* for achieving them. Section 3661 proceedings are not retrospective in nature; they do not exist for the purpose of examining completed projects whose outcomes are known and can be judged in hindsight. If nothing else, Docket No. N89-1 serves as proof that the § 3661 review process is sufficiently well-suited for the review of such *abstractions* as are detailed in the materials filed in support of the instant request.

Finally, the Postal Service’s notes that its assertion of privilege in its February 23, 2006, objection to subpart (f) of this interrogatory arose from a concern that the data utilized by the END model that could be deemed as responsive to subpart (f) were mail *class-specific*, as opposed to workload data by operation and shape (letters/flats/parcels). The Postal Service maintains that it should not be re required to disclose such facility-specific workload data in response to this interrogatory for the reasons stated above, but wishes to clarify that commercial sensitivity is not at issue with respect to such data, as was first believed to have been the case.

In conclusion, for the reasons explained above, the Commission should deny the motion to compel a response to APWU/USPS-T1-9.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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