

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

EVOLUTIONARY NETWORK DEVELOPMENT
SERVICE CHANGES, 2006

Docket No. N2006-1

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS WILLIAMS
TO APWU INTERROGATORIES
(APWU/USPS-T2-84 THROUGH 89)
(June 23, 2006)

The United States Postal Service hereby submits the response of witness Williams to the following interrogatories of the American Postal Workers Union, AFL-CIO, filed on May 31, 2006: APWU/USPS-T2-84 through 89.

The interrogatories are stated verbatim and followed by the responses.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS WILLIAMS
TO INTERROGATORY OF AMERICAN POSTAL WORKERS UNION**

APWU/USPS-T2-84 Decisions have been reached on at least seven of the AMPs listed at the end of your testimony. Please provide complete AMP documentation on all AMPs from that list where a decision has been reached. In those cases where the decision has been to not move forward with the consolidation please provide the factors that determined those decisions.

RESPONSE

The APWU has been provided with a copy of the decision package for the one AMP on that list for which a study was completed and a final decision on the basis of that study was made. Redacted and unredacted copies will be filed in appropriate Library References soon.

In the other cases, preliminary decisions were made at the Area level and ratified by the Senior Vice President, Operations. AMPs are initiated for the purpose of improving operational efficiency and/or service, decisions not to move forward with a feasibility study at this time are based on the proposed impacts to operational efficiency and/or service. See the response to APWU/USPS-T2-89.

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APWU/USPS-T2-85 Please clarify your response to APWU/USPS-T2-62 (b) and your response to APWU/USPS-T2-1 (f) [revised]. What was the final decision on the Pendleton OR PO into Pasco, WA P&DF AMP and when was that decision reached?

RESPONSE

I have been unable to locate any records indicating that a decision was made. The best that I am able to determine is that a proposal in some form was in circulation around the end of 2003.

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APWU/USPS-T2-86 Please clarify your response to APWU/USPS-T2-59 (a) in the context of Mr. Shah's response to APWU/USPS-T1-10 (b). Will the Detroit BMC be converted to an RDC?

RESPONSE

I am informed by Mr. Shah that all BMCs are likely RDC candidates, but that this does not mean that all BMCs will end up as RDCs; and that no decisions have yet been made by the END team regarding future RDC status of any current BMCs.

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APWU/USPS-T2-87 Please clarify your response to APWU/USPS-T2-59 (b), (d) and (f).

- a) Please confirm that the cost savings from moving the originating mail from Troy, Pontiac, Royal Oak, Detroit and Flint were included in the cost savings provided in the Decision Analysis Report that the Postal Board of Governors used as the basis for its decision to build the NE Michigan facility.
- b) The NE Michigan facility will not be completed for probably two years. Why are the AMPs being conducted now?
- c) Will changes in mail volume and mail patterns between now and the time the NE Michigan facility could be opened be factored into the AMP process?
- d) What factors could the AMP process bring to light that would prompt a decision different from the one management has already assumed in the Decision Analysis Report for this project?

RESPONSE

- (a) For DAR purposes, it was assumed that originating mail could come from certain existing facilities. However, see the response to subpart (d) below.
- (b) For advance planning and communications purposes.
- (c) Yes.
- (d) For purposes of a DAR, one can assume with a relatively high degree of confidence that a general quantity of mail of various types is likely to be processed at a new facility of a certain configuration. One can do so without making irrevocable judgments at that time about the precise amount of mail that will be consolidated two years later from among specific operations at existing candidate facilities in the vicinity. Keeping the expected consolidated volume goals constant, the AMP process could bring to light two years down the road that the proportions of mail processing operations assumed by the DAR to be consolidated from various nearby facilities will be different. To use an oversimplified example, an earlier DAR assumption that 25 percent of the volume into the new facility would come

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RESPONSE to APWU/USPS-87 (continued):

from each of four nearby facilities may be superseded by an AMP decision two years later to draw 40 percent from one of the nearby facilities and 20 percent each from the other three.

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APWU/USPS-T2-88 In follow-up to your response to APWU/USPS-T2-62 (b),

- a) When was it discovered that the PIRs for the 2004 AMPs had not been completed according to the schedule in the AMP Guidelines Handbook?
- b) What is the position occupied by the person whose responsibility it is to assure the AMP processes and procedures are followed?

RESPONSE

- (a) I am informed that an Operations Specialist at Headquarters made the discovery during the summer of 2005.
- (b) Under the current configuration of our department, that person would be me. I assumed my current responsibilities in October 2005. Shortly thereafter, I was informed of the PIR delinquency on the 2004 AMPs by that same Operations Specialist. Notwithstanding the lapse of time, I instructed him to direct responsible field personnel to initiate PIRS and to provide them guidance and training if necessary to get the job done.

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APWU/USPS-T2-89 In follow-up to your response to APWU/USPS-T2-63(c), why did the local and district area decide to not move forward with those AMPs? What factors determine a negative decision in the AMP process?

RESPONSE

The preliminary conclusion early in the study process in each case was that the proposed consolidation was infeasible at the time, but that the proposals could be revisited later. Such a decision can result when the AMP review process appears to be headed to a conclusion that a particular proposed consolidation is operationally infeasible at the present time, that no or virtually no efficiency gain would be achieved by implementing it, or that there would be a negative impact on service far out of proportion to any efficiency gain at the time.