

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

EVOLUTIONARY NETWORK DEVELOPMENT
SERVICE CHANGES, 2006

Docket No. N2006-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS WILLIAMS
TO QUESTIONS POSED BY AMERICAN POSTAL WORKERS UNION
DURING HEARINGS ON JULY 18, 2006

The United States Postal Service hereby gives notice that it is filing the response of witness David Williams to a question posed during hearings on July 18, 2006, at the following transcript citations: Tr. 2/508 and 519. The question is paraphrased and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux
Chief Counsel, Ratemaking

Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2998; Fax -5402
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michael.t.tidwell@usps.gov

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS WILLIAMS
TO QUESTION POSED THE AMERICAN POSTAL WORKERS UNION
AT HEARINGS**

Tr. 2/508, 519 ---- QUESTION:

Please confirm whether the Newark NJ AMP was centrally directed through the Evolutionary Network Development program and the first one to go forward.

RESPONSE

In the late summer of 2005, I became aware that senior postal management might seek authority from the Board of Governors in 2006 to initiate a nationwide network realignment later in 2006 based on the Evolutionary Network Development models, and that this realignment could result in service changes that might require the Postal Service to file a case at the Postal Rate Commission before implementing those changes.

At that time, I was directed to work with Mr. Shah and his END modeling team to identify field operations that might be candidates for consolidation as a part of this project. Based upon outputs of the END models obtained from Mr. Shah's team and consultations with Area level operations managers, my staff and I compiled a list of approximately 140 AMP operational consolidation opportunities in the mail processing network that could be studied as part of this national realignment project. Based upon the opportunity list, my staff and I again worked with Area managers to develop the list of the 41 AMP opportunities attached to my testimony that would be studied first.

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RESPONSE TO APWU Question at Tr. 2/508, 519 (continued):

The Newark Processing and Distribution Center consolidation was one of the opportunities identified by the END models as described above that made it to the list of 140, and then to the list of 41. The Newark AMP study was the first of these 41 to make it through the cross-functional AMP Handbook PO-408 review process as a part of the END initiative and to be approved by the Senior Vice President, Operations, Mr. Galligan. It was approved on March 20, 2006, and consolidation of some mail began on May 22, 2006. Implementation of the Newark AMP is expected to be completed in February 2007. We are continuing with the development and evaluation of the announced AMP feasibility studies, and my expectations are that we will coordinate public input meetings and senior management decisions on those AMPs once the pending OIG AMP audit activity is completed.