

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

EVOLUTIONARY NETWORK DEVELOPMENT
SERVICE CHANGES, 2006

Docket No. N2006-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO QUESTION 1 OF PRESIDING OFFICER'S INFORMATION REQUEST NO. 8

The United States Postal Service hereby files an institutional response to
Question 2 of Presiding Officer's Information Request No. 8, dated August 30, 2006.

The Question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux
Chief Counsel, Ratemaking

Sheela A. Portonovo

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-3012; Fax -6187
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**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 8, QUESTION 1**

1. Refer to USPS Library Reference N2006-1/5. According to the Marysville AMP Assumption List found on page 168, the estimate of the gaining facility's additional staffing needs is based on the following formula: $AMP\ Volume \div BPI = Workhours$.
 - a. Confirm that "AMP Volume" is the volume expected to move from the losing facility to the gaining facility after the consolidation.
 - b. Confirm that under the Breakthrough Productivity Initiative (BPI) program earned workhours for a given operation in a given facility are calculated by dividing workload (TPH) by the average productivity for the top 25% of facilities in the same size group as the given facility. If you cannot confirm, please explain how earned workhours are calculated.
 - c. Is the "BPI" referred to in the Assumption List the average productivity for the top 25% of facilities in the same size group as Sacramento? If not, what is "BPI" referring to?
 - d. Are workhours after consolidation for gaining facilities for all other AMP studies estimated using the formula given in the Marysville Assumption List? If not how are they estimated?
 - e. Are workhours after consolidation for losing facilities for all other AMP studies estimated using the formula given in the Marysville Assumption List? If not how are they estimated?
 - f. What percentage of all facilities achieved or exceeded (i.e. had fewer workhours) their earned workhour goals in FY 2005 and FY 2006?
 - g. What management incentives does the Postal Service offer to ensure that facilities reach or exceed their earned workhour goals?
 - h. In the past, what impact has missing the earned workhour goal had on a facility's ability to meet its critical dispatch times, subsequent facilities' critical entry times, and overall service standards?
 - i. If the answer is none, please explain why there has been no impact.
 - ii. In the future, what impact would missing the earned workhour goal have on a facility's ability to meet its critical dispatch times, subsequent facilities' critical entry times, and overall service standards?
 - i. When was the BPI program initiated?
 - j. Is actual productivity under the BPI calculated by dividing MODS TPH by MODS hours?
 - i. If not, how is it calculated?
 - ii. Can these productivities be calculated from the data provided in R2006-1, Library Reference USPS-L-56?

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1. If so, for each operation provide the criteria that determines the size classification (i.e., small, medium, large).
2. If not, provide actual mail processing productivities by operation, as calculated in the BPI program, for all BPI facilities for all fiscal years since the inception of the program.

RESPONSE

- (a) Confirmed that AMP volume is the estimated volume expected to be transferred to the gaining facility. However, the formula referenced in the interrogatory is not used in the END AMP process.
- (b) Earned Hours are calculated by dividing workload (TPH) by the Target Productivity for the given Category. One method of establishing target productivity is by calculating the top quartile from the previous year's data.
- (c) Yes.
- (d) No, the actual work hours from the management operating data system (MODS) from worksheet 4 & 4a are used.
- (e) No, the actual work hours from the management operating data system (MODS) from worksheet 4 & 4a are used.
- (f) There are no earned workhour goals in the BPI model.
- (g) There are no earned workhour goals in the BPI model.
- (h) The earned hour measurement is not related to critical dispatch times, critical entry times, or overall service standards. There are no earned workhour goals in the BPI Model.
- (i) FY 2001.
- (j) Yes.

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- i. Not applicable.
- ii No.
 - 1. Not applicable.
 - 2. BPI does not calculate productivities by operation. BPI calculates productivities by processing categories.