

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268B0001

STATION AND BRANCH OPTIMIZATION AND
CONSOLIDATION INITIATIVE, 2009

Docket No. N2009-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO PUBLIC REPRESENTATIVE INTERROGATORY PR/USPS-T2-1-11
REDIRECTED FROM WITNESS MATALIK
(July 24, 2009)

The United States Postal Service hereby provides an institutional response to the following interrogatory of Public Representative Sidman that was originally directed to witness Matalik on July 10, 2009: PR/USPS-T2-1-11. The interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Pricing and Product Support

Michael T. Tidwell
Attorney

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

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PR/USPS-T2-11

On page 12 of your testimony in Table 2, you set forth the timeline for the discontinuance study process for branches and stations.

- a. In making a determination whether or not to close or consolidate a particular branch or station, is the Postal Service considering the following:
 1. the effect of such closing or consolidation on the community served by such station or branch.
 2. the effect of such closing or consolidation on employees of the Postal Service employed at such office.
 3. whether such closing or consolidation is consistent with the policy of the Government that the Postal Service shall provide a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining.
 4. the economic savings to the Postal Service from such closing or consolidation.
 5. such other factors as the Postal Service determines are necessary.
- b. Prior to making a determination as to the necessity for the closing or consolidation of any branch or station, is the Postal Service providing adequate notice of its intention to close or consolidate such branch or station at least 60 days prior to the proposed date of such closing or consolidation to persons served by such branch or station to ensure that such persons will have an opportunity to present their views?
- c. Will any Postal Service notice for the closing or consolidation of a branch or station include a provision stating that, pursuant to Pub.L. 94-421, a final Postal Service determination to close or consolidate a post office may be appealed to the Postal Regulatory Commission at 901 New York Avenue NW, Suite 200, Washington, D.C. 20268-0001, within 30 days after the issuance of a written determination by the Postal Service?
- d. Will any determination of the Postal Service to close or consolidate a branch or station be in writing?
- e. Will any determination of the Postal Service to close or consolidate a branch or station include the findings of the Postal Service with respect to the considerations listed in paragraph (a)(1) through (a)(5) of this interrogatory?
- f. Will any determination and findings of the Postal Service to close or consolidate a branch or station be made available to persons served by such branch or station?

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PR/USPS-T2-11 (continued)

- g. Will the Postal Service not take any action to close or consolidate a branch or station office until 60 days after any written determination is made available to persons served by such branch or station?
- h. If any of your answers to paragraphs (a) through (g) are negative, please explain how the Postal Service's Initiative is consistent with the Commission's longstanding interpretation of the term "post office" (as used in 39 U.S.C. 404(d)) as a fixed retail facility serving the public and acting as the point of origin for delivery routes (most recently reaffirmed by the Commission acting as an appellate body and remanding to the Postal Service for further consideration its improper closing of Observatory Finance Station in Docket No. A2006-1).
- i. If the Postal Service plans on closing or consolidating a community post office or contract postal unit, will it follow the procedures listed in paragraphs (a) through (g) of this interrogatory? If not, please explain.
- j. If the Postal Service plans on closing or consolidating an Automated Postal Center, will it follow the procedures listed in paragraphs (a) through (g) of this interrogatory? If not, please explain.
- k. If the Postal Service plans on closing or consolidating a location that sells stamps on consignment, will it follow the procedures listed in paragraphs (a) through (g) of this interrogatory? If not, please explain.
- l. If the Postal Service's responses to paragraphs (i), (j), or (k) are in the negative, please identify and explain the closing or consolidation procedures that the Postal Service will follow for each of the locations identified in paragraphs (i), (j), and (k). Please provide all documents relating to those closing or consolidation procedures.

RESPONSE

The Postal Service filed partial objections to this interrogatory on grounds that it is overbroad, duplicative, burdensome, incapable of leading to the discovery of admissible evidence, argumentative, calls for legal conclusions, calls for speculation, and requests materials protected by the deliberative process privilege, the attorney/client relationship and the attorney work product doctrine.

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RESPONSE to PR/USPS-T2-11 (continued)

Notwithstanding, simple answers to most of the questions can be provided.

Parts (a) through (h) focus directly upon the Post Office discontinuance procedures called for by section 404(d) of title 39, while part (i) branches into the potential impact of Commission decisions made in “A” series dockets, and parts (j) through (l) request speculation about the reach of section 404(d) towards provision of retail services other than via stations and branches (and Post Offices). The interrogatory also mischaracterizes certain branches of the Post Office discontinuance process as it has been tested and grown through Commission consideration, although perhaps without intention of doing so.

Subpart (a) inquires whether the substantive statutory issues considered in Post Office discontinuances (closure or consolidation) are also considered when examining stations or branches for discontinuance, and the short answer is “yes”, as demonstrated by the content of witness Matalik’s testimony and USPS library references N2009-1/1 through N2009-1/3. Subpart (b) inquires about notice to customers, which is provided to customers of affected stations or branches; the entire thrust of the process described by witness Matalik is to inform customers of Postal Service plans so that it can get their feedback on what they think about those plans. Subpart (c) inquires whether customers of stations or branches studied for discontinuance will be informed of a right to appeal discontinuance of a Post Office to the Commission; the Postal Service

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RESPONSE to PR/USPS-T2-11 (continued)

has no plans to confuse customers by providing them notice of inapplicable procedures. Subparts (d) and (e) inquire whether Postal Service final decisions regarding stations and branches will be in writing and cover the issues paraphrased in subparts of part (a); both answers are “yes”. Subpart (f) asks a question, whether final decisions will be made available to customers, for which the answer is somewhat equivocal. If the Postal Service moves forward with a discontinuance, customers will be given notice at least 30 days before it is implemented and necessarily be made aware because the methods used to provide them with access to postal services will change. But exactly what those changes are will have some impact upon how and when customers are made aware that a proposal on which their feedback was sought is going forward.

Subpart (g) inquires whether the statutory 60-day notice period between the public posting of a final determination to discontinue a Post Office and actual discontinuance will be observed for a decision to discontinue a station or branch. While that period of time may be part of a given situation, the Postal Service has no plan to impose a requirement applicable to Post Offices upon stations and branches. See the response to subpart (f) above.

A full objection to subpart (h) was filed.

Subparts (i) through (l) do not ask about issues related to discontinuance of stations and branches or the Optimization Initiative. The Postal Service is not proposing the discontinuance of community post offices or contract postal units

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(subpart (i)), Automated Postal Centers (subpart (j)), or consignment arrangements (subpart k)) as a part of this Initiative, so no negative responses to these parts need to be explained (subpart (l)). The station and branch discontinuance process is not intended to address, for instance, a situation where a particular grocery store chain decides that it no longer wants to sell postage stamps on consignment at a particular location or the Postal Service moves to terminate such an arrangement. Nor is the process applied when the Postal Service decides to move an APC from the retail lobby of one postal station to another. Nor is it applied when, either by mutual consent, or unilaterally by one party, the Postal Service or a private retailer decides that that retailer will no longer serve as a contract postal unit. Although the process is applied to community post office closure proposals, they are not a part of this Initiative.