

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

STATION AND BRANCH OPTIMIZATION AND
CONSOLIDATION INITIATIVE, 2009

Docket No. N2009-1

RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO PUBLIC REPRESENTATIVE INTERROGATORIES PR/USPS-1-6
(July 27, 2009)

The United States Postal Service hereby provides responses to the following institutional interrogatories of Public Representative Sidman filed on July 10, 2009: PR/USPS-1 through-6. Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF THE PUBLIC REPRESENTATIVE**

PR/USPS-1

The Postal Service's Request seeks an advisory opinion from the Postal Regulatory Commission on its "Postal Service Station and Branch Optimization and Consolidation Initiative (Initiative). Request at 1. The Request states that the Initiative "commences with an examination of that portion of the retail network consisting of stations and branches that report to Postmasters at or above USPS" EAS-24 pay grade. *Id.* (emphasis added). Later, in two places, it mentions that this is the initial "focus." *Id.* At 5 and 6. The Postal Service suggests that "experience with this initial focus will inform any decision whether to continue or expand the Initiative to include a broader pool of stations and branches." *Id.* at 6.

- a. Please identify, describe and provide all documents detailing the potential scope of the initiative.
- b. Please identify, describe and provide all documents detailing the potential stages subsequent to the initial focus of the Initiative.
- c. Is it possible for the initiative to include postal retail facilities that are not branches and stations (e.g., contractual postal units, community post offices, independent post offices, or post offices headed by a postmaster)? Please explain.
- d. The Request notes that branches and stations at or above the EAS-24 pay grade are located in "urban and suburban areas where Post Offices serve large communities." Request at 1. Later, it states that such branches and stations are "located primarily in urban and suburban population centers." Request at 6.
 1. Please provide the total number of branches and stations subject to the initial focus of this initiative.
 2. Please provide the number and percentage of branches or stations subject to this Initiative are located in communities that are not "large," as that term is used in the Request. Please explain.
 3. Is it possible for the Initiative to include branches or stations serving communities that are not "large," as that term is used in the Request. Please explain.
 4. Please provide the number and percentage of branches or stations subject to this Initiative are not located in urban or suburban areas. Please explain.
- e. The Request states that these changes will not be implemented before October 2, 2009 and that the review process for EAS-24 and above stations and branches is expected to be completed during Fiscal Year 2010.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORY OF THE PUBLIC REPRESENTATIVE

PR/USPS-1 (continued)

1. When are the closings of the stations and branches that are deemed to be closed as a result of the initial focus of the Initiative expected to be completed?
2. When are subsequent stages of this Initiative expected to begin and be completed?

RESPONSE

- a. The initiative is described in the request and accompanying testimony. Also see the attachment to the response to PR/USPS-4(a).
- b. No such documents exist. Because of unprecedented retail and delivery workload changes, the Postal Service has determined that it should focus on opportunities to optimize and consolidate those components of its retail network that are likely to present the greatest opportunity for improved efficiency – stations and branches that report to EAS-24 (and above) Postmasters. This Headquarters-driven focus on opportunities to consolidate among this category of approximately 3200 stations and branches runs concurrently with the ongoing obligation of local managers to independently assess all Post Offices and the 1600 or so remaining stations and branches not within the scope of this Initiative on a case-by-case basis and seek Headquarters approval of consolidation opportunities.

It should be emphasized that some Districts will be able to fulfill their responsibilities under this Initiative while also independently examining and proposing other consolidation opportunities. At the same time, it is anticipated that focus on the objectives of this docket may tax

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF THE PUBLIC REPRESENTATIVE**

RESPONSE TO PR/USPS-1 (continued)

District resources and may result in other Districts deferring locally initiated reviews that either were underway or might otherwise have been conducted. Accordingly, their initial focus moving forward is expected to be on the stations and branches within the scope of the Initiative. When they have completed those responsibilities, they are expected to “pick up where they left off” and independently resume (without a centrally-directed focus) the consideration of other opportunities beyond the scope of this Initiative.

Experience with the EAS-24 (and above) station/branch consolidation and future circumstances may prompt Headquarters to consider whether to organize a similar retail optimization/consolidation initiative focused on some other category. No such plans have been conceived. However, should any such plans come into being, all due consideration will be given to the Postal Service’s 39 U.S.C. § 3661 obligations.

- c. No. The scope of this initiative is limited to stations and branches.

- d. 1. The Postal Service is in the process of determining the total,

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF THE PUBLIC REPRESENTATIVE**

RESPONSE TO PR/USPS-1 (continued)

validating that total and compiling a list. It is expected to exceed 3200. Previous documents placing that total at 3105 or 3243 have proven to be inaccurate. Accordingly, great care is being taken to develop a more reliable figure.

2. By definition, stations that report to an EAS-24 (and above) are located in the same city as the Post Office to which they report. By definition, branches are located outside of that city. Branches that report to an EAS -24 and above Postmaster are almost always located in suburbs or in close proximity to the city in which the Post Office is located. The use of the word “primarily” was intended to convey that notion, but also to signal that this may be one of those circumstances where it is risky to use the word “always” when describing a network as vast as the one operated by the United States Postal Service. The Postal Service does not yet have a basis for quantifying the very small percentage of branches (if any) that are subject to this initiative but that are not located in what we may all agree are urban or suburban areas, or otherwise in the outer reaches of a Post Office geographical service large.
3. See the list of cities in USPS-T-1, Attachment A. Also see the response to subpart (d)(2) above. For the reasons explained there, the answer would be negative with respect to stations, since

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF THE PUBLIC REPRESENTATIVE**

RESPONSE TO PR/USPS-1 (continued)

they all are located within the city in which the Post Office resides. Branches subject to this Initiative are located outside of the cities listed in the Attachment. It is anticipated that in at least almost all cases, however, they will be located in suburbs of the listed cities.

When the complete list is compiled, one will be able to determine whether any branches that report to EAS-24 and above Postmasters are located in areas that no one would regard as suburban or otherwise connected to or part of a large population center served by a central Post Office.

4. Upon review of the complete list of branches that are subject to this Initiative, the Postal Service will be able to determine whether any any fit this description and what percentage, if any, that represents.
- e. 1. On average, it can take 4 months to complete each discontinuance study. Depending on available personnel, conflicting demands on their time at the local level and the complexity of a particular study, it could take longer. At this time, the Postal Service cannot project a date for completion of all EAS-24 and above station/branch studies that are part of this Initiative.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF THE PUBLIC REPRESENTATIVE**

RESPONSE TO PR/USPS-1 (continued)

2. Whether particular Districts are able to concurrently focus on other locally-initiated consolidation opportunities will vary. As explained above in response to subpart (b), some Districts are likely to be concurrently working on this Initiative and independently examining other station/branch consolidation opportunities. However, if any Districts find it necessary to exclusively focus on the EAS-24 and above stations/branches within the scope of this Initiative, they are expected to carry on with their ongoing obligation to independently monitor the rest of the retail network for similar opportunities when they have completed work on this Initiative. And, as indicated above in response to subpart (b), should the results of the current Headquarters-driven focus on EAS-24 and above stations/branches lead to consideration of a subsequent Headquarters-driven consolidation initiative focused on another subset of stations and branches, the Postal Service will give all due consideration of the requirements of 39 U.S.C. § 3661, as it did before launching the current Initiative.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORY OF THE PUBLIC REPRESENTATIVE

PR/USPS-2

At page 1 of the Request, the Postal Service explains that it “hereby requests the Postal Regulatory Commission [to] determine whether a plan to optimize the postal retail network by consolidating the operations of some retail stations and branches into nearby facilities constitutes a substantially nationwide change in the nature of postal services under 39 U.S.C. 3661. On page 2 of the Request, the Postal Service states that if the Commission determines that this optimization and consolidation plan will likely generate changes in the nature of postal services on at least a substantially nationwide basis, “then the Postal Service *also* hereby requests that the Commission issue an advisory opinion under section 3661(c)...*that such service changes would conform* to the policies reflected in tital 39, United States Code.” Request at 2 (emphasis added).

- a. Please confirm that upon completion of the “initial focus” (as that term is used on pages 5 and 6 of the Request) of the Initiative, the identified stations and branches proposed for consolidation or closure will be presented to the Commission as a complete list (along with the associated potential changes in postal services) for prior Commission review pursuant to section 3661(c).
- b. If your response to paragraph a of this interrogatory is anything other than an unqualified affirmative response, please explain how the Commission can issue an informed advisory opinion pursuant to section 3661(c) without knowledge of the potential changes in postal services accompanying the consolidation of the proposed stations or branches.

RESPONSE

- a. The Postal Service cannot confirm at this time that it will have a complete list of each of the EAS-24 and above stations or branches that the Districts may propose for consolidation or closure as a part of the this Initiative before it Commission issues its advisory opinion in this docket.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF THE PUBLIC REPRESENTATIVE**

RESPONSE TO PR/USPS-2 (continued)

- b. In previous service change dockets in which the service changes at issue were predicated on sweeping operational changes that were to be implemented incrementally on a facility-by-facility basis, the Commission has managed to issue constructive and thorough advisory opinions based upon a record reflecting the nature of the service changes that might occur, even if the ultimate degree of change was not subject to precise quantification. See PRC Docket Nos. N75-1, N89-1, and N2006-1. The Postal Service is striving for such a result here.

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORY OF THE PUBLIC REPRESENTATIVE

PR/USPS-3

Footnote 1 on page 2 of the Request states that “the Postal Service has no basis for estimating the number or percentage of these stations and branches that may have their operations discontinued, or for quantifying the potential cumulative impact on the nature of any postal services that may be affected.”

- a. When (or at what stage of the Initiative) will the Postal Service have a basis for estimating the number or percentage of these stations and branches that may have their operations discontinued, or for quantifying the potential cumulative impact on the nature of any postal services that may be affected?
- b. In order to make a more informed advisory opinion, should the Commission refrain from issuing an advisory opinion under 3661(c) until the Postal Service has a basis for estimating the number or percentage of these stations and branches that may have their operations discontinued, or has a basis for quantifying the potential cumulative impact on the nature of any postal services that may be affected?
- c. If the Postal Service decides to close all branches and stations subject to the Initiative (including the “initial focus,” as that term is used in the Request), please identify, describe and provide all documents detailing the total cost savings and revenue loss from the closure of these branches and stations.
- d. If the Postal Services decides to close all postal retail facilities subject to the Initiative (including the “initial focus,” as that term is used in the Request, and subsequent stages), please identify, describe and provide all documents detailing the total cost savings and revenue loss from the closure of those branches and stations.
- e. If the Postal Service decides to close all postal retail facilities subject to the Initiative (including the “initial focus,” as that term is used in the Request, and subsequent stages), please identify, describe and provide all documents detailing the total number of branches and stations that would be closed.

RESPONSE

- a. The Postal Service will not know the number or percentages of stations and branches that have their operations discontinued as part of this Initiative until all discontinuance studies have been submitted to HQ Vice President, Delivery and Post Office Operations, for review and approval. Each discontinuance study is reviewed and developed on a case-by-case.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF THE PUBLIC REPRESENTATIVE**

RESPONSE TO PR/USPS-3 (continued)

- A very preliminary assessment of the pre-screening process to-date suggests that the number of candidates that move forward for a full discontinuance study may not exceed 1000. Some subset of that figure would ultimately be proposed for discontinuance by the various Districts, based on the results of facility-specific studies. The cumulative service impact cannot be determined until actual facility-specific discontinuance decisions are made and the case-by-case impacts are tallied.
- b. No. See the response to PR/USPS-2(b).
 - c. The Postal Service has no plan to close all such stations and branches and is certain that it will not decide to close every station or branch within the scope of this initiative. Accordingly, it has not prepared any documents estimating the resulting cost savings and revenue losses.
 - d. What is true for subpart (c) also is true for subpart (d).
 - e. The question implies that the Postal Service's obligation to produce such a number is contingent on a decision to close all such retail facilities. Since such a decision to be beyond the realm of possibility, the Postal Service assumes that it is not obliged to respond. Nevertheless, it is estimated that there are at least 3200 stations/branches that report to EAS-24 (and above) Postmasters. Upon completion of validation, the list will be disclosed.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF THE PUBLIC REPRESENTATIVE**

PR/USPS-4

On page 6 of the Request, the Postal Service states that “[u]nder this centrally directed program, each of the 74 administrative District offices that help to manage the postal system is expected to review stations and branches in its geographic area of the responsibility and to submit operational consolidation proposals to Headquarters for review and approval.”

- a. Please describe, identify and provide all documents detailing the centrally directed program referenced above.
- b. In addition to USPS-LR-N2009-1/1 and USPS-LR-N2009-1/2, please describe, identify and provide all documents detailing the factors, elements and criteria to be used to review stations and branches for the submission of operational consolidation proposals to Headquarters for review and approval.
- c. Please describe, identify and provide all documents transmitted or to be transmitted to the District offices with respect to this Initiative.
- d. Please describe, identify and provide all documents detailing the differences between this Initiative and closings or consolidations of other branches or stations (closed or consolidated previously or otherwise) not subject to this “centrally directed program.”

RESPONSE

- a. In addition to the request and testimony filed in this docket, the Postal Service invites your attention to the attached deck of PowerPoint slides that have served as the basis for presentations to audiences as diverse as senior Postal Service Headquarters management, representatives of the American Postal Workers Union, EAS-24 and above Postmasters, District/Area postal management and staff, and Congressional staff employees. The Postal Service notes that several slides in the deck contain information subsequently determined to be incomplete or that is undergoing additional verification. One such slide contains information about Total Operating Expenses (TOE) for EAS-24 and above stations

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF THE PUBLIC REPRESENTATIVE**

RESPONSE TO PR/USPS-4 (continued)

- and branches. The TOE expense estimates in that slide have since been determined to be incomplete. Revised data are being prepared for response to PR/USPS-T1-6. Additionally, the slides were prepared at a time when the number of subject stations and branches within the scope of this Initiative was thought to be certain. The number depicted there (3243) also is expected to be revised. Several of the slides depict information concerning a potential consolidation example used for illustrative purposes during discontinuance review process training.
- b. The factors, elements, criteria and process to be used to review stations and branches for submission of operational consolidation proposals, are discussed in USPS-T-2, the materials referenced above in response to subpart (a), and Library References N2009-1/1 and N2009-1/2. These materials are based upon USPS Handbook PO 101, Post Office Discontinuance Guide, Chapter 7, which pertains to station and branch consolidations. That Handbook is being filed as USPS Library Reference N2009-1/3.
 - c. See the responses to subparts (a) and (b) above.
 - d. The pre-screening process, as described at USPS-T-2, pages 7-9, is the only material difference between this Initiative and the process employed

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF THE PUBLIC REPRESENTATIVE**

RESPONSE TO PR/USPS-4 (continued)

when isolated station and branch consolidations are initiated independently in the field and submitted to Headquarters for approval. Pre-screening is a streamlined approach for identifying consolidation opportunities when Headquarters determines that a concentrated, systemwide review should be undertaken for full study.

Station and Branch Optimization

June 3, 2009



Agenda

- State of the Business**
- Background**
- Business Case**
- Process**
- Examples**
- Wrap Up**



Background

□ Focus on EAS 24 and above Stations and Branches (~ 3,243)

Post Office (9 months, With No Appeals):

Task Name	Duration ¹
Authorization to Study	10 days
Review & Investigation Study (data gathering)	25 days
Community Input	25 days
Proposal* Posting & District Manager Review and Approval	100 days
Headquarters Review & Final Determination	30 days
Final Determination Posting and Customer Appeal Period*	30 days
If appealed, 120 days are added to timeline for PRC Review	
Office Closeout (60 days after posting of final determination)*	60 days

Classified Station/Branch (4 Months):

Task Name	Duration ¹
Authorization to Study	5 days
Review & Investigation Study (data gathering)	15 days
Community Input	20 days
Proposal (No Posting)	10 days
Headquarters Review & Final Determination	10 days
Union Notification and Office Closeout (60 days after HQ Decision)	60 days

*Time Frame Driven by Requirements in Title 39, U.S.C. 101(b) & 404(d)

¹Project Duration based on 5-Day Work Week



Background

□ EAS-24 and Above Stations and Branches

➤ Total Operating Expenses - \$15.9B





Background

EAS-24 & Above Stations/Branches	FY 2008	FY 2009 YTD
City Carrier Salaries & Benefits	9.6B (60.3%)	4.6B (59.0%)
Function 4 Hours	77,778	35,318
Function 4 Salaries & Benefits	3.1B (19.6%)	1.4B (17.9%)
LDC 20/40 Salaries & Benefits	0.845B (5.31%)	0.422B (5.40%)
3B Salaries & Benefits	0.213B (1.34%)	0.107B (1.37%)
Total Operating Expenses*	15.9B	7.8B
Facility Rent/Utility	0.4B (2.6%)	
Total Post Office Boxes		1,274,912
Post Office Boxes Rented		909,443 (71.3%)
Total Boxes Available		365,469

*Includes Non-Personnel Expenses



Background

❑ **Stations/Branches in EAS-24 & Above Post Offices**

- 3,243 Candidate Stations/Branches
- Represent \$15.9 billion in TOE (2008)
- 60% - Delivery Costs
- Opportunity in Remaining 40%
- Supervisor, Manager, F3 & F4 Savings
- Rent/Utilities

❑ **Greatest Opportunity for Long-Term Savings in Urban Stations and Branches**

- More Alternate Access Available
- Higher levels of web access
- Streamlined Discontinuance Process (4 Months)



Business Case

Triggers to Close or Consolidate Station/Branches

- Operational Efficiencies**
- Declining Office Workload (3-Year Trend)**
 - ✓ Mail Volume
 - ✓ Retail Transactions
 - ✓ Customer Visits
- Proximity of Other Facilities**
- Loss of Lease; No Suitable Alternate Quarters**
- Economic Savings Offered through Alternative Service**



Process

Implementation Strategy

❑ **Prescreening Activity (complete by June 30)**

- Streamlined approach to identify realistic opportunities for full study
- District Manager Authorization on candidates for full study

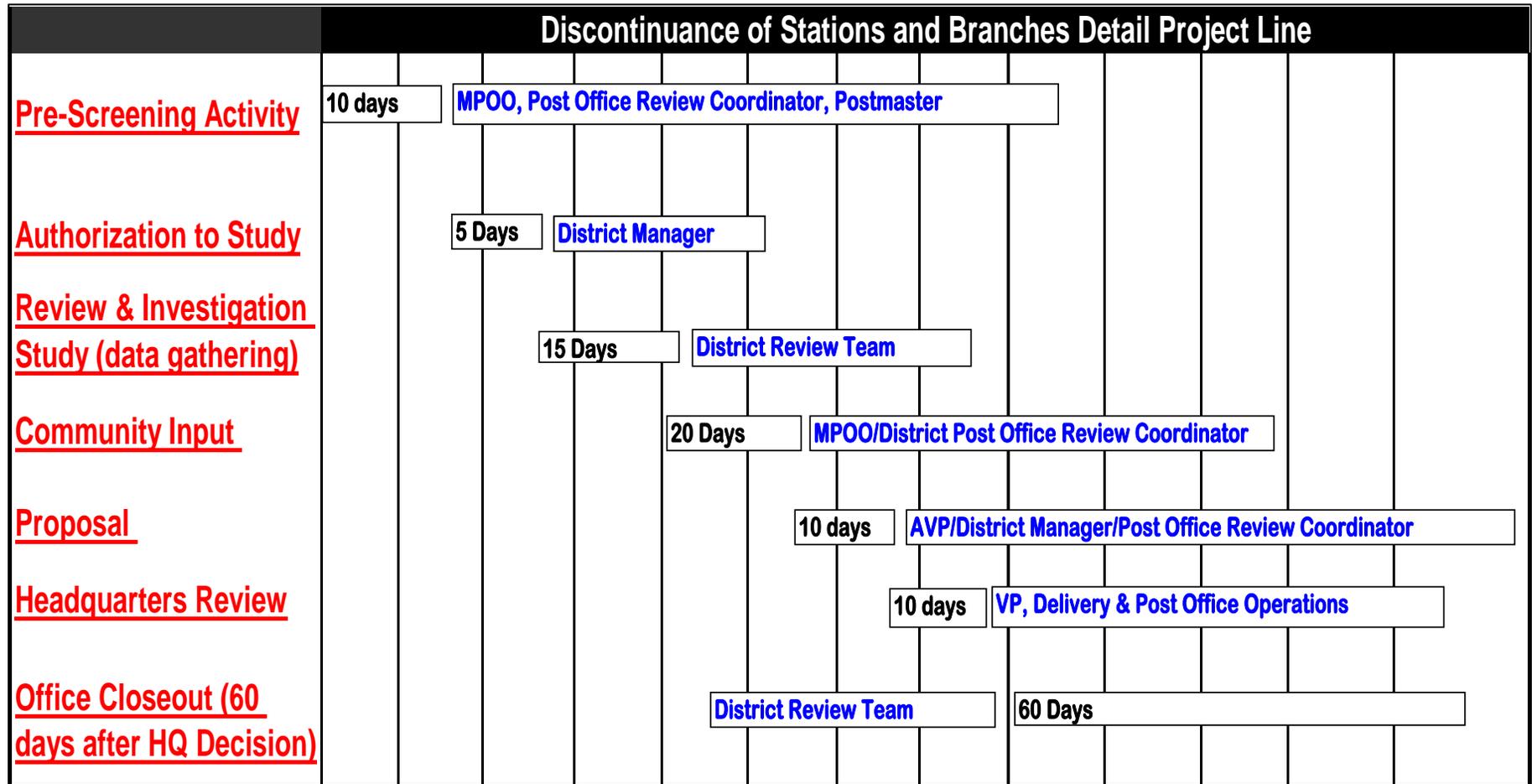
❑ **Study Activity**

- Establish District Review Team
- Use Existing Discontinuance Process (Handbook PO 101, March 09 Training)
- Consider Impact on Customers, Community, Employees

❑ **Consolidate and/or Close Unit(s)**



Process - Timeline





Process

Prescreening Activity

□ Focus on high level decision factors

➤ Unit Considerations

- ◆ Proximity of facilities within 5 miles, or 5-10 mi radius
- ◆ Proximity of alternate access with 1 mi radius
- ◆ Current Facility Requirements & Capacity
 - Carrier Route space
 - Capacity at > 80% (Eliminate)
 - Parking Lot Needs
 - Retail Requirements
- ◆ Combined Facility Requirements & Capacity
- ◆ Structural Condition & Lease Terms

➤ Retail Considerations

- ◆ Combined window capacity requirements
- ◆ Wait time in line not greater than 5 minutes
- ◆ Retail revenue transaction thresholds (% SPLY)
- ◆ Retail visits thresholds (% SPLY)



Process

Study Activity

□ Establish District Teams

- Facility Service Office Facilities Data
- Manager, Operations Program Support – Operations Data
- Manager, Post Office Operations – Operations Data
- Postmaster – Local Knowledge
- Post Office Closing Coordinator
- Manager, Customer Relations – Customer Data/ROAM
- Communications – Customer Communication
- Consumer Affairs – Customer Communication
- Human Resources/Labor Relations – Labor Issues
- HQ Government Relations Area Representative – Congressional Involvement



Study Activity (cont'd.)

- ❑ **Launch study on all station/branches authorized by District Manager from prescreening activity**
 - Use ROAM/FMS/FDB to evaluate offices with multiple facilities within close proximity
 - Facility Evaluation Factors
 - ◆ Route reduction plans
 - ◆ Number of routes (current, after reduction, after consolidation)
 - ◆ Square footage to accommodate routes
 - ◆ Parking needs
 - ◆ PO Box Opportunities and/or Constraints
 - Consider Socio-Economic Factors (elderly, culture, etc.)



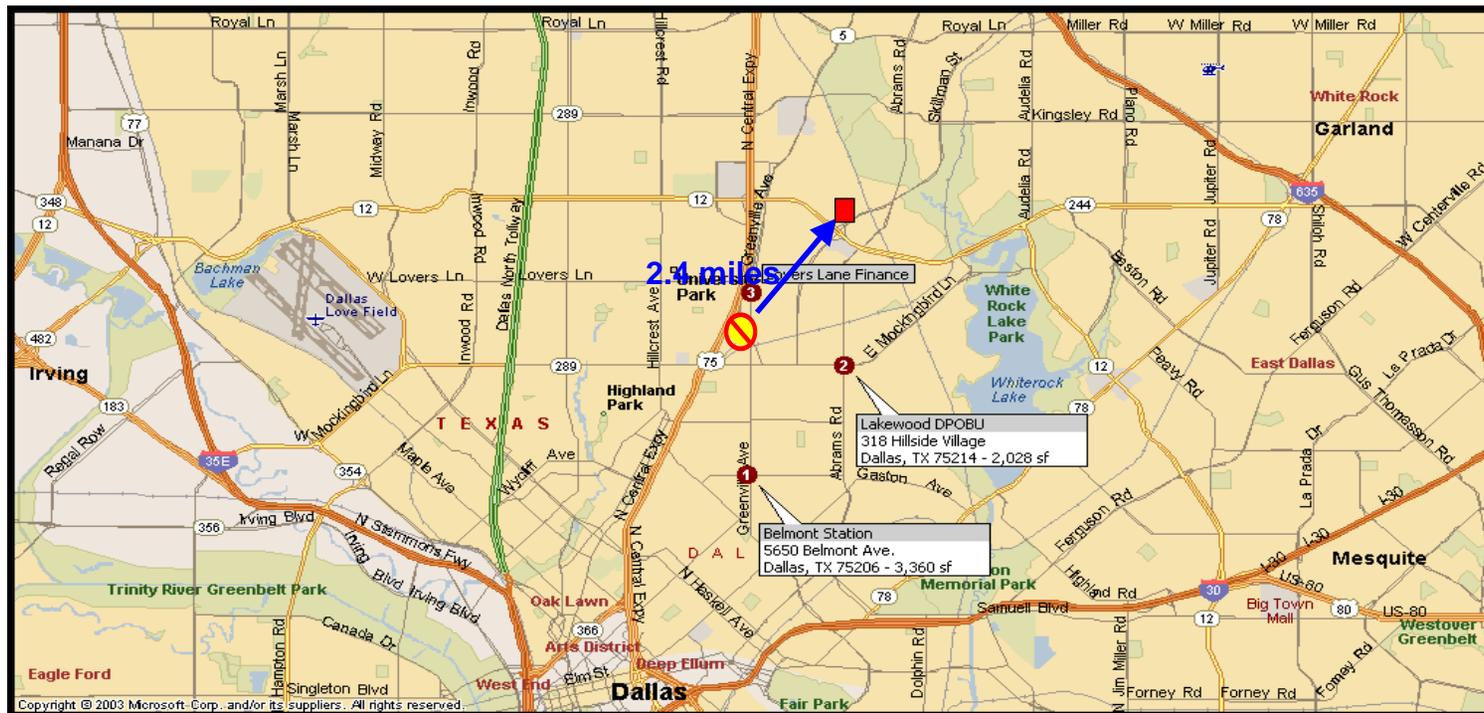
Process

- ❑ **Launch study on all station/branches authorized by District Manager from prescreening activity (cont'd.)**
 - Retail Evaluation Factors
 - ◆ Wait Time In Line
 - ◆ Walk In Revenue
 - ◆ Earned Actual Staffing Graph
 - ◆ Retail Transactions Per Hour
 - ◆ Other ADM/RDM Reports
 - Community Input (Criteria in Handbook, PO-101)
 - ◆ Meetings and Questionnaires
 - ◆ Conduct immediately after review and investigation study
 - Close or Consolidate Station/Branches Operations
 - Turn facility over to FSO



Example

Example #1 - Dallas, Belmont Finance Impacted Facilities



 Sell existing building

 Retain

Node Actions:

1. Move PO boxes from Belmont Station to Lakewood Detached PO Box Unit located 2.4 miles away.
2. Dispose of Belmont Station.



Example

Example # 1 - Dallas, Belmont Finance Summary of Costs

Action Identification: SW-09-18-1A

Action: Move PO Boxes from Dallas Belmont Finance Station to Lakewood Detached POBU. Replace retail with CPU. Dispose of Belmont Finance Station.

Facilities Impacted: Belmont Finance Station and Lakewood DPOBU.

	Savings / (Cost)	
	One-Time	Annual
Utilities		\$6,552
Inter-Station Transportation		\$11,232
Cleaning Contract		\$9,872
Contract Postal Unit		(\$30,000)
Clerk Savings		\$65,061
Broker's Opinion of Value	\$1,300,000	
Expense Funding Line 3B	(\$5,000)	
Total	\$1,295,000	\$65,590

Build-Out/L3B Expense:

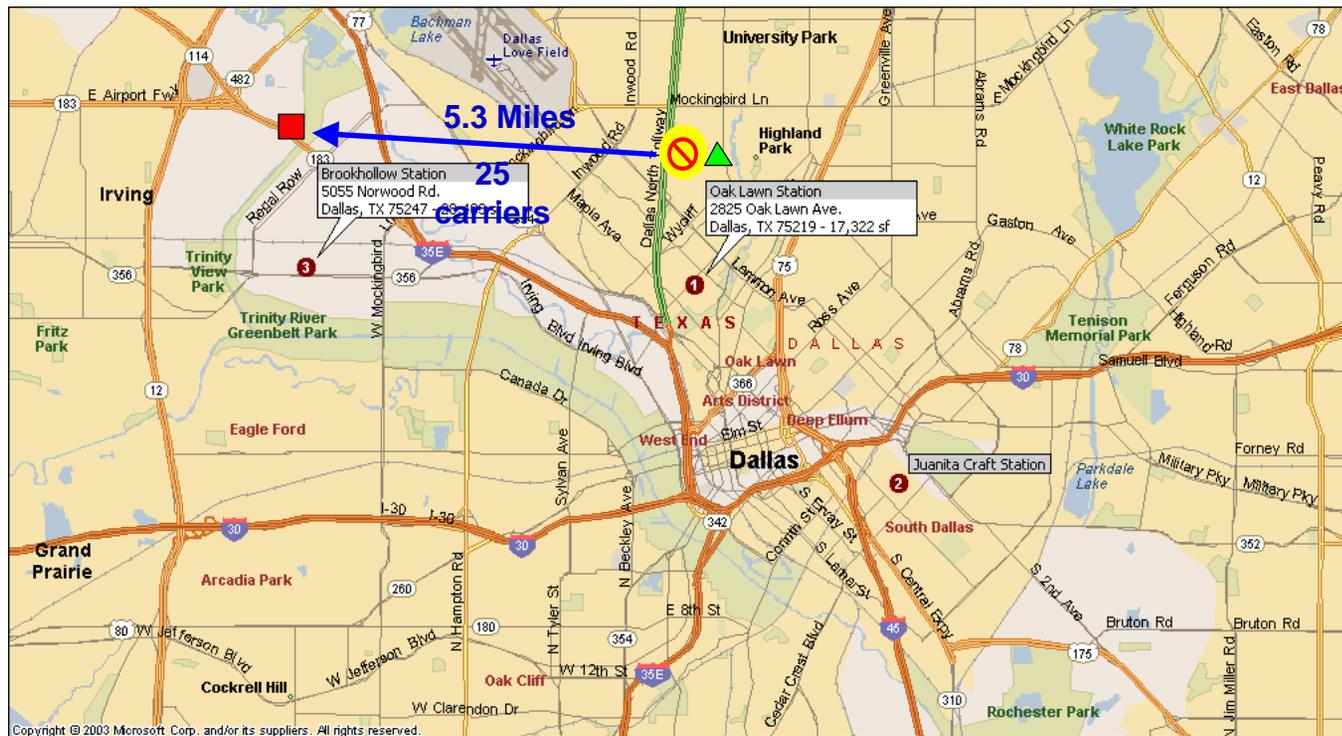
Twenty-four racks of unused boxes will be removed from Lakewood Detached Box Unit and 24 racks of boxes will be moved from Belmont Finance Station to Lakewood DPOBU.

10-Year NPV: \$1,631,648



Example

Example #2: Oak Lawn Station, Dallas, TX Impacted Facilities



Dispose of as Developmental Project – Condo Arrangement for retail in new development or lease alternate quarters



New Retail AQ



Retained

Node Actions:

1. Sell Oaklawn Station site to developer with a condo arrangement for 5,075 sf of retail space in newly developed space if possible, or lease alternate quarters. Cost of build-out included in the sale of property.
2. Move Oak Lawn Station carriers to Brookhollow Station (25 carriers, 5.3 miles).



Example

Example #2: Oak Lawn Station, Dallas, TX

Summary of Costs

Action Identification: SW-09-13-1A

Action: Disposal of Oak Lawn Station

Facilities Impacted: Oak Lawn Station, Brookhollow Station

	(Cost) / Savings	
	One Time	Annual
Utilities		\$23,882
Carrier Route Transportation Mileage		(\$77,672)
Carrier Route Labor		(\$100,602)
EAS S & B		\$216,468
Function 4 S & B		\$69,021
Inter-station Transportation		(\$27,998)
Contract Cleaner		\$11,778
Lease		(\$76,125)
Broker's Opinion of Value	\$5,000,000	
Build-Out	(\$1,125,000)	
Total	\$3,875,000	\$38,752

Build-Out:

\$1,125K in build-out of new retail space to be included in property transaction as cost to buyer.

10-Year NPV: \$3,699,065



Wrap Up

□ District Manager Owns Process

- Results driven at local level and tracked at headquarters
- Complete screening activity by June 30
- Launch station/branch studies on July 1
- Begin closing and/or consolidation on October 1

□ HQ Activity Completed To Support Districts

- AVPs, MOS, MDPS Briefings
- PRC, Senate/House Staff Oversight Comm. Briefings
- Congressional District Notification
- Station/Branch listing provided to MDPS
- Management Org./APWU Letters



RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORY OF THE PUBLIC REPRESENTATIVE

PR/USPS-5

On Page 4 of the Request, the Postal Service mentions that the “alternative retail access channels” are consistent with PAE section 302(d). PAEA section 302(d) also states that “the Postal Service plan shall include plans to expand and market retail access to postal services in addition to post offices.

- a. Please explain how the Initiative is consistent with PAE section 302(d).”
- b. Please explain why the Postal Service does not believe that it would be better to undertake the Initiative as part of the broader statutorily required PAEA section 302 plan.

RESPONSE

- a. PAEA subsection 302(d) directed the Postal Service to report to Congress its plans for expanding and marketing alternate retail access channels.

The Postal Service fulfilled that obligation as part of its June 19, 2008 PAEA Section 302 Network Plan. The Station and Branch Optimization and Consolidation Initiative is motivated in part by the increased customer reliance on alternative postal retail channels that were established before the PAEA and described in that plan and the decreased reliance on more traditional postal retail outlets. . The Postal Service does not regard the Initiative as either mandated by or inconsistent with PAEA section 302. Trends in postal customer reliance on stations/branches and alternate postal retail channels are relevant to decisions the Postal Service must make in determining a reasonable mix of postal retail locations and alternate retail channels through which to offer access to its products and services.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF THE PUBLIC REPRESENTATIVE**

RESPONSE TO PR/USPS-5 (continued)

- b. The general purpose of the PAEA Section 302 Network Plan is to position the Postal Service to meet the modern service standards established under 39 U.S.C. § 3691 and related performance goals through changes in processing and distribution network. By definition, retail stations and branches are not part of the processing and distribution network.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF THE PUBLIC REPRESENTATIVE**

PR/USPS-6

Please refer to the Postal Service's June 2009 "Station/Branch Optimization and Consolidation" briefing located at <http://www.apwu.org/news/webart/2009/09-076-consolidatingstations-09701-c-uspsbriefing.pdf>.

- a. Please provide a copy of the most updated version of this briefing and any other briefings related to the Initiative.
- b. Page 7 of the briefing discusses the Postal Service's establishment of "District Team(s)." Page 9 of the briefing states that "success will depend on the effectiveness of the district team." Please identify and describe the District Team and all members of the District team and their roles and responsibilities with respect to this Initiative. Please also provide all document relating to the District Teams.
- c. Page 8 of the briefing states that ROAM/FMS/FDB will be used to identify stations/branches for consolidation. Please explain and describe ROAM/FMS/FDB will be used to identify stations/branches for consolidation. Please provide all documents dealing with how ROAM/FMS/FDB relates to this Initiative.

RESPONSE

- a. The Postal Service has not had success with the link provided and, therefore, cannot respond to a request for an updated version of a document that it cannot see. However, please see the attachment to the response to PR/USPS-4 (a). It consists of a PowerPoint slide deck from which the presentation to APWU was made.
- b. District teams will be comprised of personnel with subject matter expertise from the functional areas referenced below:

Area Facility Service Office (FSO): facility data (i.e., lease terms, building modifications and acquisitions, etc.)

Manager, Operations Program Support: operations data

Manager, Post Office Operations – operations data

Postmaster – local knowledge

RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORY OF THE PUBLIC REPRESENTATIVE

RESPONSE TO PR/USPS-6 (continued)

Post Office Closing Coordinator – coordination of the
discontinuance study with other team members

Manager, Customer Relations – customer data, retail data, and
Retail Optimization Access Management System

Corporate Communications – internal (employees) and external
(media)

Consumer Affairs – customer communication

Human Resources/Labor Relations – labor, personnel issues

HQ Government Relations Area Representative – Congressional
communication

Manager, Finance – financial data and tracking of savings

- c. The following tools were identified as resources to either identify facilities
or have mapping capabilities to display postal facilities:

Retail Optimization Access Management System (ROAM). This is a
mapping tool that uses geographic information to visually display data on
a map. For this Initiative, Districts will use this tool to map postal retail
units, alternate access sites, as well as competitor locations within the
geographical service area of the Post Office to which the impacted station
or branch reports.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF THE PUBLIC REPRESENTATIVE**

RESPONSE TO PR/USPS-6 (continued)

Facilities Management System (FMS) and Mapping Tool. Area Facility Service Office personnel use this tool as an additional data source for mapping postal retail units within the geographical service area of Post Office that includes the impacted station or branch.

Facilities Database. This contains postal facility-specific operational data. For this Initiative, this system will be used to identify facility-specific information such as hours of operations, lobby hours, finance numbers, EAS grade level, etc., related to the impacted station or branch as well as any gaining office.