

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

Station and Branch Optimization and
Consolidation Initiative, 2009

Docket No. N2009-1

COMMISSION INFORMATION REQUEST NO. 1

(Issued July 29, 2009)

The Postal Service is requested to respond to the following questions to clarify the record on its request for an advisory opinion on the Station and Branch Optimization and Consolidation Initiative filed July 2, 2009 (Initiative). In order to facilitate inclusion of the required material in the evidentiary record, the Postal Service is to have a witness attest to the accuracy of the answers and be prepared to explain, to the extent necessary, the basis for the answers at hearings. Responses should be provided within 14 days.

The Postal Service process. The Postal Service requests an advisory opinion concurring that, for the reasons explained in its request and accompanying testimony, service changes resulting from the Initiative will conform to policies reflected in title 39 of the U.S. Code.¹

The Request states at 5, “the Postal Service has determined to institute a process for conducting an in-depth examination and reconfiguration of its retail network.” There are two distinct evaluations: initially, the focus will be on identifying stations and branches that report to EAS-24 (and above) postmasters. *Id.* Next, under

¹ Request of the United States Postal Service for an Advisory Opinion on Changes in Postal Services, July 2, 2009, at 2 (Request).

a “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 responsibility and to submit operational consolidation proposals to Headquarters for review and approval.” *Id.* at 6.

The following questions seek information on the process to be followed under this “centrally directed program” by each of the 74 District offices.

1. 39 CFR 241.3 sets forth procedures to be followed prior to replacing a post office with a community post office, station, or branch; consolidating it with another post office; or discontinuing it without providing a replacement facility. Does the Postal Service intend to follow these procedures prior to closing any station or branch under this Initiative?
2. Has the Postal Service developed guidelines that each of the 74 District offices is to follow to provide public notice of potential station or branch consolidations? If so, please provide a copy of those guidelines.
3. Has the Postal Service developed guidelines that each of the 74 District offices is to follow to ensure that representative comments are obtained from:
 - (a) customers of the stations and branches affected by potential consolidations;
 - (b) residents of the city or county in which such stations and branches are located;
 - (c) employees likely to be affected by any potential consolidation; and
 - (d) other interested members of the general public? If so, please provide a copy of those guidelines.

4. (a) If the answer to any part of question 2 or 3 is that guidelines do not exist, how does the Postal Service intend to ensure that it has obtained adequate input from an informed public on the impact of potential consolidations?
- (b) What is the minimum amount of time allowed for the preparation of comments after the Postal Service provides notice to each of the categories of interested persons listed in question 3?
5. What Postal Service District official (title) will be responsible for ensuring that procedures to obtain representative input from an informed public have been followed with regard to every operational consolidation proposal submitted to Headquarters?
6. (a) Under the centrally directed program, what Headquarters official (title) will be responsible for ensuring that each of the 74 District officials successfully meet the obligation to implement appropriate procedures to get representative input from an informed public?
- (b) How and when will that review take place?

The following questions relate to the factors to be considered, and the process for considering those factors, followed by Postal Service officials evaluating potential station and branch consolidations at the District level. Specific reference is made to information provided in the direct testimony of Kimberly I. Matalik (USPS-T-2).

7. Under the centrally directed program, are guidelines and/or instructions provided to District officials evaluating potential station and branch consolidations to ensure consistent application of standards for evaluation of the factors identified by witness Matalik? See USPS-T-2. If so, please provide all such guidelines and/or instructions.

8. Identify all mail volume trends to be evaluated. (For example, volume delivered through box sections, volumes accepted, volumes of parcels or accountables held for pick up, other.)
9. Identify all retail transaction trends to be evaluated. (For example, total transactions, transactions by product, etc.)
10.
 - (a) How is customer wait time in line and/or the ability of nearby postal facilities to handle gaining retail service measured?
 - (b) How is the availability of public transportation and/or parking considered?
 - (c) How recent must customer wait time in line data be in order to be considered reliable?
 - (d) Is customer wait time in line data for peak periods such as early December and the dates for quarterly tax filings separately considered?
 - (e) Is Mystery Shopper data available for all stations and branches? If not, what other sources of customer wait time data are available?
11. Under the centrally directed program, are guidelines or instructions provided to District officials evaluating potential station and branch consolidations to assist them in identifying and giving appropriate weight to factors unique to a particular facility? See USPS-T-2 at 4-5. If so, please provide all such guidelines and instructions.
12.
 - (a) Has the Postal Service identified, and provided to District officials evaluating potential station and branch consolidations, available sources of demographic and economic information that might be used to identify concentrations of elderly or economically disadvantaged customers, or

- non-English speakers who require assistance in conducting postal transactions?
- (b) What concentration of such customers warrants retention of a branch or station?
13. (a) Are District officials evaluating potential station and branch consolidations required to provide a written analysis supporting a recommendation to close or consolidate a station or branch? If yes, do instructions for completing such an evaluation exist?
- (b) Please provide any instructions and/or guidelines for completing the written evaluation.
- (c) Must each recommendation to close or consolidate a station or branch describe the time allotted for public comment, and summarize comments received?
14. (a) Will District officials evaluating potential station and branch consolidations evaluate what the impact of closure of a station or branch may have on Postal Service on-time service performance achievement?
- (b) Has the Postal Service provided to District officials evaluating potential station and branch consolidations a methodology for performing that evaluation?

The following questions address various topics.

15. USPS-T-1 at 8, n.5 indicates that a list of the candidate offices will be provided to the Commission as soon as possible. Please provide this list in electronic format and include for each facility in that list: (1) the facility name; (2) the physical address, city, state, ZIP Code, postal district and area; (3) whether or not the facilities are leased or owned by the Postal Service; (4) the number of post office

boxes per facility; (5) finance number; (6) FY 2008 revenues; and (7) FY 2008 costs.

16. (a) USPS-T-2 at 6, Table 1 reports recently closed stations and branches. For each facility reported in that table, please provide: (1) the facility name; (2) the physical address, city, state, ZIP Code, postal district and area; (3) whether or not the facilities are leased or owned by the Postal Service; (4) the number of post office boxes per facility; (5) finance number; (6) final full year revenues; (7) final full year costs; and (8) date of closure.
- (b) Did the Postal Service undertake any after-the-fact analysis of the impact of these closures on service performance or customer attitudes? If so, please provide all such analyses.
17. The Postal Service Request at 4 states, "alternate retail access channels have proven increasingly popular with postal customers, now accounting for more than 30 percent of retail revenue and trending upward." Please identify sources considered "retail revenue." Please provide the data relied on to support the 30 percent figure.
18. (a) In evaluating station and branch consolidations, will the Postal Service take into account the potential that customers may not make purchases at alternative Postal Service retail access points?
- (b) Has the Postal Service provided to District officials evaluating the potential station and branch consolidations a methodology for evaluating the value of customer expenditures of various types that may not shift to an alternative facility or retail access point if a station or branch is closed?

19. The *Washington Post* of July 25, 2009, reports that “the number of mail collection boxes has decreased by approximately one-half since 2000, both nationally and locally.” Is that statement essentially accurate? If not, to what extent have collection boxes been reduced?
- (a) In evaluating potential station and branch consolidations, will District officials consider the location of nearby collection boxes, and whether the number of nearby collection boxes has recently been reduced? Please discuss.
 - (b) Normally, close of business collections are made at stations and branches. Will close of business collections at these locations be maintained even if a station or branch is consolidated? Please discuss.
20. Please provide a copy of the Post Office Discontinuance Tracking System in a flat file format, and provide a description of each data field. How are station and branch closures identified in the Post Office Discontinuance Tracking System?

By the Commission.

Judith M. Grady
Acting Secretary