

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

STATION AND BRANCH OPTIMIZATION AND
CONSOLIDATION INITIATIVE, 2009

Docket No. N2009-1

RESPONSES OF UNITED STATES POSTAL SERVICE
WITNESS MATALIK TO AMERICAN POSTAL WORKERS UNION
INTERROGATORIES APWU/USPS-T2-1, 2, 3(d,e), 4-7 AND 9
(August 12, 2009)

The United States Postal Service hereby provides the responses of witness Matalik to the following interrogatories of the American Postal Workers Union filed on July 28, 2009: APWU/USPS-T2-1, 2, 3(d,e), 4 through 7 and 9. The interrogatories are stated verbatim and followed by the responses. Objections to APWU/USPS-T2-3(a-c) and T2-8 were filed on August 10, 2009.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MATALIK TO AMERICAN POSTAL WORKERS UNION INTERROGATORY

APWU/USPS-T2-1

On page 4 you indicate that the station and branch discontinuance review process starts with local initiation of a study at the direction of the District Manager. On page 7 (at 13) of your testimony you state that in response to a Headquarters initiative directing all Districts to conduct studies of respective facilities it might be expected that a larger number of review processes could be started. On page 7 (at 19) you indicate that Headquarters has established a pre-screening process by which specific stations/branches are nominated for immediate field examination.

- (a.) Was the list that will be provided to the Commission stating the specific facilities under consideration for consolidation generated at Headquarters or at the District level?
- (b.) When you state that specific stations/branches have been nominated for immediate field examination, does that mean that the formal discontinuance review process has started for all these facilities or they have been nominated for decision as to whether they are to be placed on the prescreening list?
- (c.) Of the several hundred discontinuance reviews of stations and branches taking place now, how many of those are in direct response to this initiative? Are these all following the formal discontinuance process or are some of these still part of the prescreening process?

RESPONSE

- (a) The list of 3200+ stations and branches within the scope of the Station and Branch Optimization and Consolidation (SBOC) Initiative is being compiled at Headquarters on the basis of information from various sources, including District offices.
- (b) It means that they have been nominated for discontinuance review as a result of the pre-screening process, with the expectation that a discontinuance study will be conducted.
- (c) Hundreds of discontinuance studies are currently underway as part of this initiative. As the pre-screening process comes closer to a conclusion, the number of facilities undergoing pre-screening will diminish daily. Pre-

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screening will ultimately conclude and result in a number of facilities being subjected to the discontinuance review process. Final decisions at Headquarters will result in facilities being discontinued.

Locally initiated discontinuance proposals that are not a part of the SBOC Initiative (for instance, a proposal by a District to close a particular EAS-22 branch somewhere) may still come to Headquarters for review, but would not be subject to a central -pre-screening process.

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APWU/USPS-T2-2

On Page 5 of your testimony you indicate that customer comment is obtained through either a public meeting or in response to a customer questionnaire.

- a.) How it is decided that a public meeting will be held? What personnel are involved in deciding to conduct a public meeting?
- b.) If a public meeting is conducted, what Postal Service personnel attend? Who runs the public meeting?
- c.) If a public meeting is held, how far in advance of the meeting is notice provided?
- d.) Please provide a copy of a notice of the public meeting that has been utilized by the Postal Service when reviewing a station or branch for closure or consolidation.
- e.) How is notice given to the public? Are notices mailed to residential postal customers? Are notices mailed to business customers?
- f.) Are public outlets, including newspapers, radio stations, etc. provided with a copy of the notice of the public meeting?
- g.) Please provide a copy of all slides, hand-outs or other documents and materials used by the Postal Service during the public meetings.
- h.) If a questionnaire is used, when are the questionnaires sent out in relation to when responses are needed, e.g. one month, two weeks?
- i.) Are questionnaires tailored to inquire about local circumstances and conditions or are the same questionnaires used for all facility consolidation or closure studies?

RESPONSE

- (a-b) Decisions on whether to conduct public meetings and which personnel represent the Postal Service at such meetings are at the discretion of the District Manager
- (c) 10 business days.
- (d-e) See the attachment to this response.
- (f) Districts have the option of posting public notices in local newspapers for notification to carrier delivery customers.
- (g) The material to be used for purposes of individual community meetings are determined locally.

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RESPONSE to APWU/USPS-T2-2 (continued)

- (h) Questionnaires are provided with a request that they be returned within 10 business days. Questionnaire response received at the designated return address before the District proposal is submitted to Headquarters are reviewed and considered.
- (i) A template is provided that can be adjusted.

Instructions Public Notice to Customers

As part of the Station and Branch Optimization and Consolidation (SBOC) initiative, Districts have various options for obtaining customer input.

In cases where the Station or Branch serves a substantial number of carrier deliveries within the service area of the Post Office to which it reports, the District may publish notices in a local newspaper directed at those delivery customers. Note: Public Notices do not replace notification to Post Office Box Customers. Post Office Box customers must be sent a letter and questionnaire as described in # 1 of the Community Input Field Guidelines. The attached template has been developed to facilitate customer notification via local newspaper print ads. Funding for newspaper publication of the Public Notice is the responsibility of the local District. Districts should work directly with local newspapers, classified advertisement department, to publish Public Notices. Public Notices do not require advertising funds or approval from HQ Advertising. Funding for the public notices can be paid via IMPAC along with an approved e-Buy. Public Notices should be posted in local newspapers for five business days.

Key to localizing template

1. Include the ZIP Code Area(s) of the carrier delivery customers impacted by the proposed consolidation.
2. Enter the Station or Branch Name that is proposed for consolidation, and strike through or delete either Station or Branch, as appropriate.
3. Enter the complete address of the Station or Branch being proposed for consolidation.
4. Enter the 5-digit ZIP Code area(s) of the impacted carrier delivery customers.
5. Enter the Name of the Gaining Station or Branch that will absorb deliveries if the office is consolidated, and strike through or delete either Station or Branch, as appropriate.
6. Name of the Station or Branch where accountable mail and/or parcels will be picked-up if the office is consolidated, location's complete address, and strike through or delete either Station or Branch, as appropriate.
7. Name of the Station or Branch proposed for consolidation.
8. Name of the Station or Branch, including address, which will absorb retail services if the office is consolidated, and strike through or delete either Station or Branch, as appropriate.
9. Complete address of the Station/Branch identified in (8)
10. Include a date when responses should be returned. At a minimum, allow customers 10 business days to provide their comments.
11. Include the Name and complete address of the Station or Branch where customers may visit to complete a questionnaire.
12. Include the Name and Address of the Station or Branch where customers may mail or drop off their comments to the proposal, and strike through or delete either Station or Branch, as appropriate.

- Public Notice -

Postal Customers in ZIP Code Areas ____ and ____ (1)

Changes in consumer preference and recession-related declines in mail volume have reduced U.S. Postal Service revenues. Operation of the Postal Service is paid for by postage and fees paid by our customers. The Postal Service receives no operational subsidy from taxes. Current economic conditions require that we review all postal operations for opportunities to streamline processes and provide service more efficiently.

Accordingly, we are considering consolidation of retail and delivery operations at the (2) _____ Station/Branch, located at (3)

_____.

If you are currently receiving letter carrier delivery in ZIP Codes (4) _____, and _____, we are proposing to relocate the letter carriers that serve these ZIP Code areas to the (5) _____ Station/Branch.

As a result, there may be slight differences in the time of day during which delivery occurs for some customers. Otherwise, any mail pickup of parcel and signature items would move to the (6) _____ Station/Branch, located at _____ (6).

Retail services, including post office box rental, now provided at the (7) _____ Station/Branch would move to the (8) _____ Station/Branch located at (9) _____.

The Postal Service operates to serve our customers. We value your opinions during this review process.

You may provide your written comments to the address below by (10) _____ or visit the (11) _____ Station/Branch located at _____ (11) to complete a customer questionnaire.

Thanks for working with us to ensure the continuation of reliable, timely, efficient and affordable service.

(12)
_____ Station/Branch

Post Office Box 1
Anytown, USA 00000-0000

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APWU/USPS-T2-3

On page 7, Table 1 of your testimony you provide the number of station and branch closures during the past four fiscal years.

- a.) Please provide the number of discontinuance review studies that were performed on station and branches each year during FY2005-FY2008.
- b.) Please provide the number of consolidation review studies that were performed on station and branches each year during FY2005-FY2008. How many of these studies resulted in a consolidation?
- c.) You specifically state in footnote 4 that not all of the facilities in this group would be classified as facilities that report to EAS-24 (and above) Postmasters. Please provide a count of the studies done during this time period of facilities that report to EAS-24 (and above) Postmasters and the number of closures of facilities in this group.
- d.) The response to DBP/USPS-13 indicates that the Library References USPS-LR-N2009-1/1 and USPS-LR-N2009-1/2 were chosen because they were conveniently on top of a nearby filing cabinet. Would either of the facilities in the library references be an example of the facilities that are being considered for consolidation in this case?
- e.) If neither are representative of the type of facilities in this case, would you consider the issues addressed in these two library references as being indicative of the issues that will be in the type of consolidations being considered in this case?

RESPONSE

(a-c) Objection filed.

(d-e) No. The Library References represent nothing more than examples of the application of the station/branch discontinuation process. The documents were provided to give a better sense of the review process and the sorts of documents that are compiled and forwarded to Headquarters for review, not for any form of substantive review of those discontinuance decisions by the Commission as a part of this case. At the time that the files were selected, it was not known whether either facility reported to an EAS-24 and above Postmaster or to the Postmaster in one of the cities listed in the attachment to the request in this case.

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RESPONSE to APWU/USPS-T2-3 (continued)

Without a comprehensive facility-specific analysis of the category as a whole, it would be difficult to know whether any one or two EAS-24 and above stations and branches could be considered typical or representative of the thousands in that category. These two files happened to be readily available, as opposed to being locked away in an off-site storage location.

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APWU/USPS-T2-4

On Page 7 of your testimony you indicate the District recommends to Headquarters either a “discontinuance or consolidation of retail services at a location.” Are these the only two possible recommendations that can be made?

- a.) Does the District or Headquarters ever consider partial closings and consolidations?
- b.) Are reports of operational changes, including closing on certain days, during lunch periods, reducing operating hours, etc., produced and considered by a District in making its recommendation to Headquarters? If not, why not.

RESPONSE

No. Please see the response to DBP/USPS-30.

- (a) It is not clear what is meant by a “partial closing.” As confirmed at page 7 of USPS-T-2, consolidations may be recommended by Districts after completion of a discontinuance study.
- (b) The initiative under review in this docket is based upon a decision to optimize a portion of the retail network through a concentrated application of the existing discontinuance review process to a category of stations and branches likely to include a number of facilities in such close proximity to each other. The initiative is not a directive to pursue adjustments to operating days or hours, but to determine whether to discontinue operations at specific locations or consolidate operations among nearby locations.

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APWU/USPS-T2-5

In your testimony you state that the discontinuance studies are a part of a “bottom-up” process initiated by Districts. What, if any, baselines or other guiding information is provided to the Districts to inform their decision to conduct a discontinuance study or not?

RESPONSE

Please refer to USPS-T-2, pages 4-5 and 8-11.

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APWU/USPS-T2-6

During the “prescreening process” is public comment solicited? If so, how is it solicited? Please provide a copy of all documents and templates used to solicit public comment.

RESPONSE

Public comment is not solicited during the pre-screening process. Accordingly, no pre-screening public comment solicitation templates exist.

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APWU/USPS-T2-7

Please provide a complete listing of all the documents that are included in the “decision package” submitted to Headquarters. Is this a standard document package? Please provide samples of all of the documents included in the “decision package.”

RESPONSE

Documents appropriate to particular decisions are expected to be completed for individual decision packages. Accordingly, the “standard” decision package may vary from case to case. A list of such documents and samples of documents prepared for use as part of the SBOC Initiative decision packages also being filed as USPS Library Reference N2009-1/6.

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APWU/USPS-T2-9

In your response to PR/USPS-T2-9, you indicate that the District Offices are prescreening and that stations that are “teed up” for study one week might be taken off the list the following week. Can you please describe

- a.) the type and time frame of the data that is being used to make the analysis;
- b.) any models that were used in making the list;
- c.) assumptions about future mail volume that were used in these valuations;
- d.) the process of feedback between Headquarters and the District level that is being used to fine-tune the list;
- e.) the factors that determine if a station that has been “teed up” stays on the list or not.

RESPONSE

- (a) See USPS-T-2 at pages 8-9 There, I describe the types of data analyzed as part of the pre-screening process. The time frame for data in the Retail Consideration is as follows: (a) Wait Time in Line data (most recent 12-months data or Customer Satisfaction Measurement data (previous 4 quarters); (b) Combined window capacity requirements: October-March for the most current fiscal year; (c) Retail Revenue Transactions/Customer Visits: current year/SPLY.
- (b) No models were employed.
- (c) Projected future volumes are not a factor. Current and past retail revenue and transactions are evaluated.
- (d-e) Weekly teleconferences between Headquarters and Area coordinators provide a forum for status reports, review and correction of information previously submitted by the field and clarification of instructions.

Accordingly, corrections to the candidate list may result.