

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

STATION AND BRANCH OPTIMIZATION AND
CONSOLIDATION INITIATIVE, 2009

Docket No. N2009-1

OBJECTION OF THE UNITED STATES POSTAL SERVICE TO
AMERICAN POSTAL WORKERS UNION INTERROGATORIES
APWU/USPS-T2-10(b),(d) 11(b-m),(o,p) AND 12(a),(b)(2-4),(c,d),(g)
(August 17, 2009)

In accordance with Rule 26(c) of the Postal Regulatory Commission's Rules of Practice and Procedure, the United States Postal Service hereby files the following objections to the interrogatories below submitted by the American Postal Workers Union on August 16, 2009.

The above referenced interrogatories ask a detailed series of questions that seek to review two station/branch discontinuance decisions made in 2008 by the Postal Service in relation to the Washburn, Iowa Finance Branch and the Buhl, Pennsylvania Classified Branch.¹ These interrogatories also use these Library References as a basis for asking general questions about how discontinuance decisions might be made as part of the Station and Branch Optimization and Consolidation (SBOC) Initiative under review in this docket. Copies of the interrogatories are attached.

For the reasons below, the Postal Service intends not to respond to those portions of each interrogatory that (a) seek to review the substantive details of the Washburn and Buhl decisions or (b) request records relating to four earlier

¹ APWU/USPS-T2-12(b) also seeks detailed information about four earlier station/branch discontinuance decisions referenced in passing in one of those Library References.

station/branch discontinuance decisions. However, the Postal Service intends to respond to all portions of APWU/USPS-T2-10 through 12 seeking clarification of the discontinuance review process generally or how it might operate going forward.

The Postal Service filed Library References N2009-1/1 and N2009-1/2 for the sole purpose of illustrating the form of its internal discontinuance review process. See also USPS Library Reference N2009-1/6. As reflected in Presiding Officer's Ruling N2009-1/1 (August 14, 2009), the Commission is on the brink of scheduling field hearings that, presumably, will examine the recent application of the station/branch discontinuance review process in several other recent facility closures in order to improve its understanding of the process.² In preparation for these field hearings, the Postal Service is identifying knowledgeable personnel who can participate on its behalf, and will be devoting considerable resources to ensuring that the agency's participation in those hearings is as constructive as possible and benefits the record in this docket.

Interrogatories APWU/USPS-T2-10 through 12 focus on six station/branch other suspension or discontinuance decisions beyond those that will be the focus of the Commission's field hearings. To the extent that these APWU interrogatories are intended to serve the same objectives as the field hearings, the Postal Service submits that it would be unduly burdensome for its witnesses

² Since the discontinuance decisions that will be the subject of these field hearings were not appealed to the Commission by any party under the terms of 39 U.S.C. § 404(b)(5), it is assumed that the field hearings will not serve as the basis for any Commission determination under section 404, but rather to assist the Commission in developing an understanding of the discontinuance review process to be employed as part of the SBOC Initiative and offering constructive suggestions for improvement to that process, consistent with the more limited advisory role established by section 3661.

also to be required to devote its limited resources to a detailed *post mortem* examination of the substantive details of the six decisions reflected in or referenced in USPS Library References N2009-1 and N2009-2. However, consistent with the purposes of the field hearings, the Postal Service will respond to the questions among the 35 subparts of APWU/USPS-T2-10 through 12 that use these Library References as a basis for asking general questions about how discontinuance decisions will be made as part of the Station and Branch Optimization and Consolidation (SBOC) Initiative. Accordingly, the objections to many of the specific subparts listed above are only partial in nature.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux
Chief Counsel, Pricing and Product Support

Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2998; Fax -5402
August 17, 2009

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

**Station and Branch Optimization and
Consolidation Initiative, 2009**

Docket No. N2009-1

**INTERROGATORIES OF THE AMERICAN POSTAL WORKERS UNION, AFL-CIO
TO USPS WITNESS KIMBERLY I. MATALIK
(APWU/USPS-T2-10-12)
(August 6, 2009)**

Pursuant to Rules 25 through 28 of the Rules of Practice, American Postal Workers Union, AFL-CIO directs the following interrogatories to United States Postal Service witness Kimberly I. Matalik (USPS-T-2). If the witness is unable to respond to any interrogatory, APWU requests that a response be provided by an appropriate person capable of providing an answer. Instructions and Definitions applicable to these Interrogatories are contained in the Interrogatories of the American Postal Workers Union, AFL-CIO to the United States Postal Service witness Kimberly Matalik (APWU/USPS-T2-1-9), filed on July 28, 2009, and are hereby incorporated by reference.

Respectfully submitted,

Darryl J. Anderson
Jennifer L. Wood
Counsel for American Postal Workers Union, AFL-CIO

APWU/USPS-T2-10. Please refer to USPS-LR-N2009-1/2 – Official Record to Close the Washburn IA Classified Branch, Docket No. 50706 (public Version) and confirm or correct the following statements:

- a.) At the time of this study the Washburn Branch was a finance operation open for 15 hours each week with 22 rented Post Office Boxes and without responsibility for any street deliveries.
- b.) At the time of the study there were 491 delivery points in Washburn serviced by a City Letter Carrier out of Waterloo IA.
- c.) The Washburn Finance Branch was part of and reported to the Waterloo IA Post Office – A EAS 24 Office.
- d.) If closed, the 22 PO Box customers would have the choice of renting a box at another Post Office, station or branch or installing a curbside mail box for home delivery of mail or both. In any case, these customers would have to file change of address forms with the Postal Service.

APWU/USPS-T2-11. Please refer to USPS-LR-N2009-1/2 – Official Record to Close the Washburn IA Classified Branch, Docket No. 50706 (public Version).

- a.) Please explain whether various screening processes used in the Station and Branch Optimization and Consolidation Initiative would likely find and target for further study stations or branches similar to Washburn.
- b.) Referring to Docket No. 50706, Item 6, Page 1, please explain any expectation that some or all of these window transactions would shift to other surrounding post offices, stations, or branches. Item 20, page 2 seems to show all of the clerk time for these transactions as savings. Assuming there is a shift of some of this work, where does the study process evaluate this cost?
- c.) Referring to Docket No. 50706, Item 7, Page 1, please explain any expectation that some or all of this incoming mail will shift to other places, e.g., new PO Box rentals, city carrier delivery. Item 20, page 2 seems to show all of the clerk time for these transactions as savings. Assuming there is a shift to other facilities or to a city carrier route, where does the study process evaluate this cost.
- d.) Referring to Docket No. 50706, Item 8, Page 1, please explain any expectation that the Postal Service will retain this business. Item 20, page 2 seems to show all of the clerk time related to this business as savings. Assuming the business is retained, how will these customers be assisted and this mail accepted? Where does the study process evaluate this cost?

- e.) Referring to Docket No. 50706, Item 18, Page 1, Question 8, please explain how the Postal Service will service this collection box. Where does the study process evaluate this cost?
- f.) Referring to Docket No. 50706, Item 18, Page 2, it appears that the Postal Service owns equipment at this facility, please explain how the Postal Service will dispose of this equipment. Where does the study process evaluate the cost related to moving, selling, or scraping this equipment?
- g.) Referring to Docket No. 50706, Item 19, Page 1, please reconcile the number 16 next to Post Office Box with repeated references elsewhere to 22 boxes.
- h.) Referring to Docket No. 50706, Item 19, Page 1, please describe what functions HCR 507AA plays in servicing this facility and how that route might change with the closing of this facility. Where does the study process evaluate any change in HCR or other transportation costs?
- i.) Referring to Docket No. 50706, Item 20, Page 1, it describes the reason for discontinuance as "lack of revenue." If this facility was generating more revenue, would it cease to be considered for closure? If the answer is in the affirmative – at what revenue level would this facility escape closure? More generally, when might the lack of revenue be the sole reason for considering closure? When might it be the driving reason for considering closure?
- j.) Referring to Docket No. 50706, Item 20, Page 2, please confirm that the salaries and fringe benefits expenses (\$14,391 and \$4,820.99) represent the cost of all the clerk time involved in staffing this facility. If not confirmed please explain what is included or excluded in this cost.
- k.) Referring to Docket No. 50706, Item 20, Page 2, please confirm that the cost of proposed alternate service (\$4,325.64) includes only the cost of an additional 22 stops on a city carrier route. If not confirmed, please detail what is included in this figure.
- l.) Referring to Docket No. 50706, Item 20, Page 4, Question 3. Please confirm the statement that carrier service will provide 24-hour access to the mail means that once delivered by the carrier, the customer can remove any mail from the customer's mail box at the customer's convenience. If not confirmed, please explain what it means.
- m.) Referring to Docket No. 50706, Item 21, Page 4, Question 10. Did the Postal Service make any estimate of the cost of purchasing and installing a curbside receptacle? Did the Postal Service attempt to determine or estimate how many customers might keep a post office box at another

location or switch to curbside delivery or switch to dual delivery? More generally, please explain how the Postal Service attempts to discover and evaluate customer costs related to a closure. To the extent that customers do not rent another post office box, where does the study process evaluate this loss of revenue?

- n.) Referring to Docket No. 50706, Item 21, Page 5, Question 1. Please describe the likely costs to the Postal Service of the zip code change and any other address changes necessitated by the closure and options offered to customers, e.g., processing the form, forwarding mail, returning mail, etc. Where does the study process evaluate these costs? How does the Postal Service attempt to determine and evaluate the costs and inconvenience to customers when they must change their address because of a closure, e.g., mailing or notifying people and companies of their new mailing address, or delay in receipt of mail?
- o.) Referring to Docket No. 50706, Item 21, Page 6, point 1 under disadvantages. Please confirm that this facility was not an independent post office with its own postmaster at the time of this study. Was this facility ever an independent post office?
- p.) Referring to Docket No. 50706, Item 21, Page 6, point 2 under disadvantages. Please detail what transactions the city carrier could perform at the customer's mailbox that were possible to transact at this facility.

APWU/USPS-T2-12. Please refer to USPS-LR-N2009-1/1 – Official Record to Close the Buhl PA Classified Branch, Docket No. 16146 (public Version).

- a.) Referring to Docket No. 16146, Item 1, Page 1. Why did the Postal Service solicit for this service? Please describe any relationship to the study to consider closure of this facility. More generally, please describe how the Postal Service decides to solicit for retail partners when closing retail facilities. In this case there was no response. How does that impact any decision about closure?
- b.) Referring to Docket No. 16146, Item 4, Page 1. These notes indicate that New Castle, Butler, Altoona, and Johnstown have been closed.
 - 1.) Please detail when these facilities were studied and when the closure decisions and actual closures were effected.
 - 2.) If these studies are not being produced in response to previous document requests, please provide the documents.
 - 3.) After these closures were any of these communities studied to determine any impacts of the closure on the communities?
 - 4.) Were any of these closures studied to determine how actual costs compare with estimated cost changes?

- 5.) More generally is there any study process that evaluates previous closure decisions?
- c.) Referring to Docket No. 16146, Item 4, Page 1, Questions/Answers 1. Mayor Bob Lucas made several points that do not appear to be addressed anywhere in the Docket documents.
 - 1.) How did the Postal Service respond to Mayor Lucas' complaint that conflicting functions dampened attendance at the public – including the absence of city council members and his own absence following his remarks?
 - 2.) How did the Postal Service respond to Mayor Lucas' description of this financial district, its revitalization, and his request that the Postal Service delay any decision for a couple years so as not to adversely affect efforts to “turn the city around[?]” More generally in this optimization initiative how does the Postal Service evaluate its possible role in aiding revitalization or development and conversely adding to possible flight or blight where property abandoned by the Postal Service might remain vacant.
 - 3.) How did the Postal Service respond to Mayor Lucas' description of this financial district as an “all-walking area” containing the cities largest employer? Please confirm that the alternative retail locations are generally beyond walking distances and have limited parking. If not confirmed please describe the distances, walking paths, availability of public transportation, and parking. More generally please describe how this closure process evaluates the possibility of increasing mileage driven within a community and the adequacy of parking at alternative retail outlets.
 - 4.) Refer to page 3, Question 23. Please describe any later meeting with the Mayor, what additional information was obtained, how it was evaluated, and what response was made to Mayor Lucas and the community.
 - d.) Referring to Docket No. 16146, Item 4, Page 3, Questions/Answers 14. Please detail the number of collection boxes removed and the dates of removals from the neighborhoods and business district surrounding this facility during the two years preceding this public meeting. More generally please describe how this optimization initiative evaluates any compounding effects of other optimization and cost savings initiatives (e.g., reduction of hours at other retail outlets, removal of under producing collection boxes, etc.) occurring relatively close in time – before or after a possible closing.
 - e.) Referring to Docket No. 16146, Item 4, Page 3, Questions/Answers 15. Does the notation of “finance stations” indicate that stations without carrier delivery have different public involvement requirements? Please describe

any difference in public involvement requirements for various types of facilities.

- f.) Referring to Docket No. 16146, Item 11, Page 2. Please confirm that the salaries and fringe benefits expenses (\$41,964 and \$14,058) represent the cost of all the clerk time involved in staffing this facility. If not confirmed please explain what is included or excluded in this cost.
- g.) Referring to Docket No. 16146, Item 11, Page 2. Please describe what costs are included in the "Cost of Proposed Alternate Service: \$2,500" and how the number was calculated. And referring to Item 14, Page 5, please explain and reconcile "Cost of Replacement Service" at \$2,800 and then crossed out with \$8,000 handwritten.
- h.) Where in the study process are costs of handling the mail, retail transactions, and post office boxes that are moved to other locations?