

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

STATION AND BRANCH OPTIMIZATION AND
CONSOLIDATION INITIATIVE, 2009

Docket No. N2009-1

MOTION OF THE UNITED STATES POSTAL SERVICE
FOR ACCEPTANCE BY THE COMMISSION OF A PARTIAL RESPONSE TO
QUESTION 15 OF COMMISSION INFORMATION REQUEST NO. 1
(September 1, 2009)

On August July 29, 2009, the Commission directed Information Request No. 1 to the Postal Service. A belated partial response to Question 15 will be filed on Wednesday, September 2, 2009. Question 15 reads as follows

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.

For the reasons explained below, the Postal Service's response to Question 15 will include only a partial response to the first two data elements for all the over 3600 stations and branches within the scope of the Station and Branch Optimization and Consolidation (SBOC) Initiative. However, concurrent with that response, the Postal Service will supplement USPS Library Reference N20091-/4 with an updated SBOC candidate list that includes complete data elements (1) through (6), but only for the approximately 750 stations and branches identified by the SBOC pre-screening process as candidates for further discontinuance study. As explained below, The Postal Service requests that it be excused from providing (7) FY 2008 cost data. The Postal Service

hereby moves that the Commission, after reviewing the response to Question 15 and the supplement to Library Reference 4, and after consideration of any comments filed in response to this motion, rule that the Postal Service is relieved of its pending obligation to provide any remaining information originally sought by Question 15.

What The Postal Service Will File On September 2nd

On July 30, 2009, the Postal Service filed Library Reference N2009-1/4. On that date, that document consisted of a list of 677 stations and branches that had to-date been identified through the ongoing SBOC Initiative pre-screening process (conducted by 74 District offices) as candidates for discontinuance study. Now that the pre-screening process has essentially been completed, Library Reference N2009-1/4 will be supplemented by the filing of an updated list on September 2, 2009. The updated list will reflect that over 750 stations and branches were identified by the pre-screening process as discontinuance study candidates.¹ For these approximately 750 station and branches, the September 2nd supplement to USPS Library Reference N2009-1/4 will include (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 numbers;² and (6) FY 2008 revenues.

When the Postal Service filed its request in this docket, it was in the process of validating a list of the names and locations of all stations and branches within the scope of the SBOC Initiative – those which report to Postmasters at or above the EAS-24 pay

¹ This increase from 677 reflects additions to reflect the application of the pre-screening process to facilities that had not yet been pre-screened at the end of July.

² Data element (5) finance numbers for each of these facilities will be reflected in a non-public version of Library Reference N2009-1/4.

grade. At the time, it was estimated that the number of such station and branches was at least 3200. However, shortly before the request was filed, the Postal Service discovered that centralized accounting systems, from which it was assumed that such a list could be drawn, only identified facilities with unique 6-digit postal finance numbers. Many stations and branches do not have a unique 6-digit finance number; instead, they share the same 6-digit finance number as the Post Office to which they report, and are otherwise uniquely identifiable by reference to a 4-digit unit number suffix to that finance number. In some data systems, data for stations/branches without unique 6-digit finance numbers are aggregated within data reported for the "host" facility whose 6-digit finance number they share. In many cases, central data systems show the same physical address for all facilities attached to a specific 6-digit finance number. Disaggregated facility-specific station/branch data must often be accessed through other decentralized data systems that reference the 4-digit unit number suffix.

The process of cross-checking finance numbers and unit numbers, and validating facility-specific data with each District, just to ensure that the response to Question 15 would report the names of all SBOC candidate stations and branches as completely as possible, has been a painstaking one. The time and effort necessary to validate the results has accounted for the delay in reporting even limited information in response to Question 15 and, regrettably, has detracted from the Postal Service's ability to tend to other aspects of this litigation. The end result is that that over 3600 stations and branches are now known to report to Postmasters at or above the EAS-24 pay grade and to have been candidates for discontinuance consideration as part of the SBOC

Initiative. Each facility's name, city and state, and Area/District relationship will be filed in the response to Question 15 tomorrow.

In light of the progress toward completion of the pre-screening process since the end of July, it also is now apparent that the focus of the SBOC Initiative has narrowed to approximately 20 percent of that original universe of over 3600 stations and branches. Consistent with the expected course of events, facility-specific discontinuance analysis is underway in the various District offices and is expected to result in only a subset of the approximately 750 stations/branches that advance through SBOC pre-screening being subjected to full discontinuance studies. Ultimately, an even smaller number of proposals will be submitted to the Area and then to Headquarters for decision.

What The Postal Service Requests That It Not Be Required To File

As indicated above, for the approximately 3600 stations and branches originally within the scope of the SBOC Initiative, the Postal Service plans to provide: (1) the facility name; and (2) the city, state, postal district and area. However, the Postal Service requests that it not be required to provide the street addresses and ZIP Codes, or the other data elements identified by subparts (3) through (7) of Question 15 for the approximately 2900 facilities that were deemed by the SBOC pre-screening process to not be candidates for discontinuance review at this time.

If the street addresses and ZIP Codes were recorded in a centralized database, they would be provided without hesitation. However, compilation of address and ZIP Code data from other decentralized systems, and validation of those data for each of the above-referenced 2900 stations, would require up to an additional cumulative 80 workhours to complete. Given the now much narrower scope of the SBOC Initiative, the

Postal Service requests that the Commission reconsider whether addresses and ZIP Codes are still needed for all 3600 stations and branches.

In addition, the Postal Service requests that the Commission reconsider whether its continued review of the request in this docket necessitates provision of the detailed data listed in subparts (3) through (7) of Question 15 – insofar as the data pertain to the 2900 stations and branches that the SBOC pre-screening process has deemed not feasible for discontinuance at this time. Pre-screening has narrowed the focus of the SBOC Initiative to approximately only 20 percent of the original candidate facilities. Accordingly, the value of such information as (3) whether or not such facilities are leased or owned, or (4) the number of post office boxes per facility, (5) the finance numbers, (6) FY 2008 revenues and (7) FY 2008 costs, for each of the 80 percent of the original candidate pool not under consideration would seem to be greatly diminished.

The Postal Service's request is most urgent as it pertains to (7) FY 2008 costs for each station/branch. Central accounting systems that include cost data for stations/branches without unique 6-digit finance numbers, in many cases, reflect data aggregated for those facilities to the 6-digit finance number of the host Post Office. Specific cost figures for each such station and branch are derived by manual examination of decentralized accounting records and, in some cases estimates of a unit's portion of centralized supplies and services costs tied to applicable 6-digit finance numbers and 4-digit unit numbers. Thus, while it is possible to consult a central accounting database for a systemwide aggregate cost figure, that same database does not include all of the disaggregated station/branch-specific components that make up the total.

Examination of these decentralized accounting records is part of the discontinuance review process currently underway for hundreds of the approximately 750 stations and branches as studies are prepared at the District level. To satisfy this portion of Question 15, insofar as it relates to these stations and branches, each District office would have to consult local databases and manual records to calculate estimates. In doing so, they would essentially be conducting the cost analysis portion of each of the hundreds of discontinuance candidate facilities, and forwarding those cost data to Headquarters for validation and compilation, irrespective of any plans those offices may have for the scheduling and completion of SBOC studies in the weeks and months ahead. It is estimated that the process of researching, collecting, compiling and validating those data would take a minimum of three workhours per each of the approximately 750 facilities that remained viable after pre-screening. That burden would be compounded by the requirement in Question 15 that the same data be provided for the other 2900 stations and branches that were set aside after pre-screening.

Completion of this task would require District SBOC teams to set aside other SBOC-related work in order to compile some of the same data for purposes of Question 15 -- before resuming the facility-specific study process through which such data are ordinarily compiled. Accordingly, the Postal Service requests that the obligation imposed by this portion of Question 15 be reconsidered.

The Postal Service emphasizes that it has validated the street addresses and ZIP Codes of all of the approximately 750 stations and branches that were identified for further study by the SBOC Initiative pre-screening process and will provide such data as

part of its September 2nd supplement to USPS Library Reference N20091-/4. For those same stations and branches, the September 2nd supplement to the public version of that Library Reference will include: (3) whether or not the facilities are leased or owned by the Postal Service; (4) the number of post office boxes per facility; and (6) FY 2008 revenues.³

For the forgoing reasons, the Postal Service respectfully requests that, after examining the information to be filed on September 2nd and any comments filed by the parties, that the Commission respond affirmatively to this motion.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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³ In response to subpart (5), the facility-specific 6-digit finance numbers and 4-digit unit suffixes will be provided in a non-public version.