

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 VANGORDER
TO PUBLIC REPRESENTATIVE INTERROGATORIES PR/USPS-T1-12 AND T1-13
(September 4, 2009)

The United States Postal Service hereby provides the response of witness Alice VanGorder to Public Representative interrogatories PR/USPS-T1-12 and T1-13 filed on August 20, 2009. Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Pricing and Product Support

Michael T. Tidwell
Attorney

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2998; Fax -5402
michael.t.tidwell@usps.gov

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

PR/USPS-T1-12

Please refer to your response to APWU/USPS-T1-2(d) where you state “As part of each discontinuance study, the Postal Service estimates the costs expected to be saved by the elimination of the provision of service at a particular location.”

- a. Does the Postal Service consider loss of revenue from the closure of that particular location in determining whether to close a particular facility? Please explain.
- b. Are the “cost expected to be saved” referenced in your response to APWU/USPS-T1-2(d) net cost savings?
- c. If the Postal Service does not consider loss of revenue from the closure of a particular location in calculating the net cost savings, is the Postal Service assuming that all business lost at that particular facility will migrate to other postal facilities or alternate access channels? If not, please explain.

RESPONSE

- a. No. The Postal Service is unaware of any reliable methodology for estimating the potential revenue loss that could result from the closure of a particular station/branch. We assume that any transaction and/or revenue from the impacted office not lost will be absorbed by another office or through an alternate access channel.
- b. No.
- c. The Postal Service has developed no methodology for quantifying how much, if any, business will be lost per site or in the aggregate. It is assumed that any business not lost will migrate to other postal retail facilities or to alternate access.

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

PR/USPS-T1-13

With respect to the Station and Branch Optimization and Consolidation Initiative (Initiative), please provide the following information.

- a. When does the Postal Service expect to complete closure or consolidation of the stations and branches approved for closure or consolidation as a result of the Initiative?
- b. When does the Postal Service expect to calculate the “efficiency gains” (as that term is used in your response to APWU/USPS-T1-2(a-c)) resulting from closure or consolidation of the approved stations and branches?
- c. When does the Postal Service expect to report to the Commission the “efficiency gains” (as that term is used in your response to APWU/USPS-T1-2(a-c)) resulting from closure or consolidation of the approved stations and branches?
- d. Please describe how the Postal Service intends to calculate the “efficiency gains” (as that term is used in your response to APWU/USPS-T1-2(a-c)) resulting from closure or consolidation of the approved stations and branches.
- e. Please describe how the Postal Service intends to report to the Commission the “efficiency gains” (as that term is used in your response to APWU/USPS-T1-2(a-c)) resulting from closure or consolidation of the approved stations and branches.
- f. Please identify and describe the type of information to be calculated concerning the “efficiency gains” (as that term is used in your response to APWU/USPS-T1-2(a-c)) resulting from closure or consolidation of the approved stations and branches. For example, will the information include data on the number of stations affected, changes in revenue (if any), net cost savings, customer’s affected, changes in the number postal employees, etc.? Please explain.
- g. Please identify and describe the type of information to be reported to the Commission concerning the “efficiency gains” (as that term is used in your response to APWU/USPS-T1-2(a-c)) resulting from closure or consolidation of the approved stations and branches. For example, will the information to be reported include data on the number of stations affected, changes in revenue (if any), net cost savings, customer’s affected, changes in the number postal employees, etc.? Please explain.
- h. Will the type of information to be calculated also include data on how the Postal Service maintained “ready access to essential postal services” and “ready access to adequate service” (as that term is used in your response to PR/USPS-T1-7(d)) for postal customers affected by the closure or consolidation of the approved stations and branches? Please explain.
- i. Will the type of information to be reported to the Commission also include data on how the Postal Service maintained “ready access to essential postal services” and “ready access to adequate service” (as that term is used in your response to PR/USPS-T1-7(d)) for postal customers affected by the closure or consolidation of the approved stations and branches? Please explain.

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

RESPONSE to PR/USPS-T1-13

- a. During Fiscal Year 2010.
- b. Pre-decisional estimates of facility-specific “efficiency gains” are developed during the course of each facility-specific station/branch discontinuance study and are reviewed at Headquarters before a decision is made in each case.
- c. During the litigation of this docket, the Postal Service will provide information to the Commission that is requested by it for the purposes of the fulfillment of its advisory role. The Postal Service is unaware of the establishment of any post-Docket No. N2009-1 reporting obligations associated with this initiative
- d. See Library Reference USPS-LR-1/6, page 7.
- e. Please see the response to subpart (c).
- f. See Library Reference USPS-LR-1/6, page 7.
- g. Please see the response to subpart (c).
- h. Please see the response to subpart (c). The resulting retail network and mix of alternate access will reflect the Postal Service’s blueprint for fulfilling its retail service obligations. That network is subject to constant monitoring by postal management and local adjustments are inevitable.
- i. Please see the response to subpart (h).