

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-T2-10 THROUGH T2-12  
(September 8, 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 August 6, 2009: APWU/USPS-T2-10 through 12. Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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

**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.

**RESPONSE**

- a) Confirmed.
- b) Confirmed.
- c) Confirmed.
- d) Partially confirmed. Any customer who had both Post Office Box service and carrier delivery could forgo the former and any address change.

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

**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.

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

**APWU/USPS-T2-11 (continued)**

- 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.

**RESPONSE**

- (a) By virtue of having reported to an EAS-24 and above Postmaster, if it had not already been discontinued, the Washburn branch would have been among the over 3600 stations and branches identified for pre-screening under the Station and Branch Optimization and Consolidation Initiative. It is not known what

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

**RESPONSE to APWU/USPS-T2-11 (continued)**

conclusion the District may have reached regarding discontinuance review if, hypothetically, it had applied the SBOC pre-screening criteria to that facility as part of the Initiative.

- (b) The Postal Service assumes that retail transactions conducted at Washburn branch that remain in the postal system will shift to neighboring postal retail facilities and such alternate access points as are utilized by its former customers without requiring additional clerk time at those locations or expansion of alternate access methods.
- (c) The Postal Service assumes that, to the extent that it remains in the postal system, the delivery of mail formerly addressed to Washburn Post Office boxes to other PO boxes or street addresses will be absorbed by the operations where those boxes are located or by the carrier operations that serve those street addresses.
- (d) Assuming the business is retained, other nearby postal retail outlets or alternate retail channels are expected to absorb the transactions.
- (e) The Collection Box at the Washburn branch was relocated to the BP Mart in Washburn. Carriers from the Waterloo Post Office are servicing the collection box. Managing the location of collection boxes within its service area is a routine, ongoing District management function that would occur irrespective of the SBOC Initiative. Some boxes do not require relocation; some are relocated;

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

**RESPONSE to APWU/USPS-T2-11 (continued)**

some are removed from service. The discontinuance study process does not factor in collection box relocation cost.

- (f) The Postal Service does consider costs related to removal of equipment as part of a discontinuance study. Existing processes manage the installation, relocation, storage and disposal of equipment at postal installations (Handbook AS-701, Material Management).
- (g) There were a total of 22 Post Office box customers when the discontinuance study began. Initially, this information is gathered from the local office or through existing USPS data sources prior to the authorization of the District Manager. The number of Post Office box customers fluctuates over time, including during a study.
- (h) The HCR stop would be eliminated from Washburn. In the SBOC Initiative, the Postal Service does consider changes in cost for routes. Please refer to Library Reference USPS-LR-1/6, Page 7, Items 8-9.
- (i) No. Although revenue is a consideration, it is not determinative, just as the notation referenced in the question is not comprehensive. Local district officials look at a number of factors, as described on pages 9-10 of my revised testimony.
- (j) Confirmed.
- (k) Confirmed.

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

**RESPONSE to APWU/USPS-T2-11 (continued)**

- (l) Confirmed that a customer can remove mail or post it by placement in the receptacle at any time.
  
- (m) The Postal Service does not factor costs in for purchasing curbside boxes and installation since this is a customer responsibility. The Postal Service does not require customers to commit to specific service preferences in a study, so it cannot know whether customers will obtain Post Office box service elsewhere as a replacement.
  
- (n) No. A discontinuance study does not consider these costs. Changes of Address by customers are a normal daily occurrence for the Postal Service and costs associated with address changes are part of the normal day-to-day operation of the system.
  
- (o) Confirmed. There has never been an independent post office in Washburn, IA.
  
- (p) Please refer to the response to DBP/USPS-25(a-b).

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

**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.

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

**APWU/USPS-T2-12 (continued)**

- 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?

**RESPONSE**

- (a) Decisions on whether the Postal Service chooses to solicit retail partners are determined locally on a case-by-case basis. Factors for consideration of retail partners may include proximity of other retail locations, ability for neighboring units to absorb retail workload, retail partner interest, and customer access to postal services, and customer convenience.
- (b) 1. The characterization of the retail facilities at Butler, Altoona, and Johnstown as “stations and branches” was erroneous. They were

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

**RESPONSE to APWU/USPS-T2-12 (continued)**

contract postal units. The Mahoningtown, PA Classified Station in New Castle was emergency suspended as a result of the Postal Service not being able to negotiate an acceptable lease agreement with the lessor. The district is currently reviewing this office for discontinuance.

- 2-4. See the response to subpart (1) above. The discontinuance of a contract postal unit does not require a feasibility study. No post-closure studies exist.
5. No.
- c. 1. The discontinuance review process is intended to focus on comments concerning the proposed change in the provision of or access to retail postal service that would result from a proposed discontinuance. Accordingly, those concerns are addressed in the decision package, as opposed to concerns about the time of day during which the public meeting was held. In Washburn, customers of the branch were afforded the opportunity to complete a questionnaire and comment at a public meeting. The Postal Service recognizes that scheduling of a public meeting at almost any time of the day will be convenient for some customers and inconvenient for others. SBOC Initiative lobby notices inform customers that they may direct written comments about a proposed discontinuance to a designated postal official and provide that official's mailing address.

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

**RESPONSE to APWU/USPS-T2-12 (continued)**

2. Postal Service retail station and branch discontinuance decisions are based upon recent and current postal retail considerations and trends and the interests of the Postal Service. Determining whether the continued operation of a postal retail facility at a particular location at postal expense could serve some broader non-postal political, economic or social agenda or vision of another Federal agency or a state or local government is beyond the scope of the discontinuance review process. Accordingly, such matters are not addressed. The Postal Service considers itself a responsible landowner and maintains its real estate holdings in order to either re-use them or get fair market value in selling or leasing them. The Postal Service typically has no responsibility for the upkeep and maintenance of property it formerly leased. Those are typically the responsibilities of the landlord.
3. The record does not reflect any disagreement with the Mayor's description. In making a discontinuance determination, the Postal Service takes into account the fact that customers who prefer to conduct business at the location of the station/branch being studied for discontinuance may have to travel by available means to the locations of other physical postal retail outlets or alternate access channels. In some cases, these alternative locations may be located a distance greater than these customers might ordinarily walk. But they might also be conveniently accessible by public transportation or located on commuter

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

**RESPONSE to APWU/USPS-T2-12 (continued)**

driving routes, or near where these same postal customers drive to shop, conduct other routine commercial transactions or otherwise socialize.

There typically are limitations on parking at the facility being considered for discontinuance, as well as any other alternate retail location.

Accordingly, the existence of such a parking limitation, by itself, does not disqualify the discontinuance candidate facility or an alternate retail location from effectively serving customers.

- d) The discontinuance process is intended to study the feasibility of maintaining a particular retail location. It does not take into account collection box removals or changes in retail hours at other locations that may have occurred in recent years. However, I am informed that no collection boxes removed near the Buhl PA facility in the two years preceding the discontinuance public meeting.
- e) No. See the response to PR/USPS T2-15 and the attachment.
- f) Confirmed.
- g) The original estimate provide in the file seemed low for the extension of city delivery to 22 Post Office box customers. A discussion was held with the District and a revised estimate was verbally provided by the District and noted in the record.
- h) See the response to APWU/USPS-T2-11(b-f). Library Reference USPS-N-2009-1/6, pages 7 and 16-20 for the costs that are evaluated during the study process.