

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

STATION AND BRANCH OPTIMIZATION AND  
CONSOLIDATION INITIATIVE, 2009

Docket No. N2009-1

REVISED RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO APWU INTERROGATORY APWU/USPS-T2-11  
(September 23, 2009) [ERRATA]

The United States Postal Service hereby provides a revised response to the above-listed interrogatory directed to witness Matalik. In the original response, filed on September 8, 2009, the word "not" was inadvertently omitted from the first sentence of the response to subpart (f). The revised response filed today corrects and supersedes the previous response. The interrogatory is stated verbatim and followed by the revised response in its entirety.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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**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.

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**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

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**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;

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**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 not 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.

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**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).