

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

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

Docket No. N2009-1

**RESPONSE OF AMERICAN POSTAL WORKERS UNION, AFL-CIO,
WITNESS BARRETT TO UNITED STATES POSTAL SERVICE
INTERROGATORIES USPS/APWU-T1-1-5
(November 13, 2009)**

The American Postal Workers Union, AFL-CIO hereby submits the responses of witness Michael Barrett to the following interrogatories of the United States Postal Service: USPS/APWU-T1-1-5, filed on November 3, 2009.

Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

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USPS/APWU-T1-1

In your testimony, pages 6-9, you discuss several reports that are currently available in the USPS Retail Data Mart that could be useful to the Postal Service in determining labor costs and in reviewing activities in the office.

- (a) Is it your understanding that these reports reference:
 - (i) Top-Bottom Products by Walk-in Revenue?
 - (ii) Same Period Last Year Product Revenue performance?
 - (iii) Window Operations Survey Account Identifier Code lookup data?
- (b) Does your testimony assume that all retail transactions formerly conducted at the consolidated station or branch that remain as postal transactions will migrate to another Post Office, station or branch? If so, please provide all supporting data, studies, and analyses performed by or for APWU that support this assumption.
- (c) If your testimony does not make the assumption referenced above in subpart (b), please indicate the page and line numbers in your testimony which reference any alternate assumption.
- (d) Please confirm that some of these transactions referenced above in subpart (b) will migrate to the alternate postal access retail channels described in USPS-T-1.

Response:

- (a)(i-iii) Yes, these are the reports I reference in my testimony.
- (b) No.
- (c) I did not make any specific assumption about the amount of retail transactions formerly conducted at a consolidated station or branch that will migrate to another Postal facility. Rather, my testimony indicates that there is a cost to moving transactions to another facility, regardless of the percentage of transactions that migrate and that these costs should be considered in any closure or consolidation study conducted by the Postal Service. The costing spreadsheet permits analyzing costs based on an assumption that only a certain percent of business migrates. See APWU-LR-2009-1-1, worksheet "Cost Information" cell H26. It is also possible to exclude all or part of certain transactions by altering transaction counts in worksheet "Revenue Transactions FY 2009."

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- (d) Yes. Some transactions may well migrate to alternative postal access retail channels. While such cost is not evaluated in my spreadsheet, there is a cost associated with migration to alternative channels – or loss of business.

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USPS/APWU-T1-2

In your testimony at page 10, lines 6-7, you state that

Beyond costing, examination of detailed transactions, these reports add insight into how customers use and depend upon the station and branch.

Please review Postal Service Library Reference N2009-1/6, page 17, which references to use of Retail Data Mart (RDM) flash reports in the station/branch discontinuance study process.

- (a) Please explain your understanding of the role of the RDM flash report.
- (b) Would you agree that the yearly RDM flash report also provides insight into the types of transactions that are conducted at a retail station or branch?
- (c) Would you also agree that if a local postal manager reviewed the yearly flash report for a station or branch, they can spot trends and anomalies in the transaction types and/or revenue, and that they have the ability to run detailed transaction reports on specific products and services, such as money orders, if necessary? If you do not agree, please explain.

Response:

- (a) The retail flash reports show key performance metrics at the unit, District, Area and National levels and are intended for management as a means to measure and compare performance of Retail Operations.
- (b) No, I do not agree with the statement. Please see my response to USPS/APWU-2(c) below for further explanation.
- (c) No, I do not agree. The flash report aggregates too many products into one category for meaningful examination of trends and anomalies by transaction types and/or revenue. For example, the "Monthly-Yearly Retail Unit Flash" found in USPS-LR-N2009-1/15, Observatory Finance Station, Docket No. 15214, p. 93, includes "Other Domestic" under the Walk-In Revenue (WIR) Attribute heading. Listed in parentheses under this heading are the categories of Library Mail, BPM, Media Mail and Orphan PVI. All of these products are grouped and the data would not show separately the transaction totals for each. Similarly, the flash report does not show how many domestic and international money orders were sold during the studied period. These transactions fall under the umbrella category of "Retail Services" and are reported only as an aggregate. This report does not

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show a separate total for domestic money orders and one for international money orders.

It is important to recognize the danger in making year-to-year (SPLY) comparisons. Each year, the products offered by the Postal Service vary, as does the way the Postal Service tracks these products. One can see the changes in reports listing every product but would not necessarily see and therefore, note the effect of a mix change from year to year with products lumped together in broader headings.

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USPS/APWU-T1-3

Please refer to your testimony at page 11, lines 1-5.

- (a) Please refer to USPS Library References N2009-1/14 through N2009-1/18 and identify all instances where a station or branch with a box section was consolidated and
- a neighboring station or branch did not have sufficient vacant post office boxes or space into which to transfer the post office boxes from the consolidated location; and
 - the closing of the discontinued station or branch initially turned “the entire volume of arriving box mail into Undeliverable As Addressed mail.”
- (b) Please quantitatively indicate on an annual basis the percentage of total UAA mail volume and UAA mail cost associated with the phenomenon described at page 11, lines 1-10 of your testimony
- (c) Please refer to your testimony at page 11, lines 12-13. Please confirm that persons whose mail was addressed to a post office box at a consolidated station and who do not wish to go to a different post office box location generally have the option of directing that such mail be delivered to their street address.

Response:

- (a-c) I am not suggesting that the Postal Service has insufficient boxes or that customers will not get mail delivery, although review of the studies provided in USPS Library References indicate that there may not be enough boxes for customers affected by the Elizabethport, NJ. closure. The Elizabethport study, Docket No. 07206, contained in USPS-LR-N2009-1/17 shows that 352 PO Box customers would be affected by the closure of this facility, yet only 142 boxes were available at nearby facilities. My point is that when a closure requires change of address filings, the initial impact of the closure is to turn mail addressed to the closed facility into UAA. Changes of Address (COA) can be avoided or reduced in those situations where the customer receives both street and PO Box delivery, or where a neighboring station or branch can set aside a block of PO Boxes designated with the same box numbers and same zip code. However, even where more than enough boxes are available for rent in a neighboring facility, it is

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often not possible to set up a whole section with the same numbers and zip code; therefore, it is often not possible to avoid COAs.

In reviewing Library References USPS-LR-1, 2, 14, 15, 16, and 17, I found 22 facilities. Thirteen closures required all box holders to file changes of address. While nine did not, the circumstances varied including facilities not offering box service and facilities suspended for various lengths before closure decisions. Here is a summary:

USPS-LR-1

1. Buhl, PA. Docket No. 16146

Post Office Customers Affected: 105 (Item No. 11 p. 1)

Number of Boxes Available at Nearest Facility: 200 (Item No. 11 p. 2) and 100 (Item No. 11 p. 3)

Customers with Duplicate Delivery Service: 20 (Item No. 11 p.1)

No need to change Box number (Item No. 14 p. 2)

USPS-LR-2

***2. Washburn, IA. Docket No. 50706**

Post Office Customers Affected: 22 (Item No. 1 p. 1)

Number of Boxes Available at Nearest Facility: 216, 7.97 miles away (Item No. 20 p. 2) and 16, 3.21 miles away (Item No. 20 p. 3)

Customers with Duplicate Delivery Service: 0 (Item No. 20 p. 1)

Change in Address Required

USPS-LR-14

3. Charleston Naval Base, SC (was suspended since 1996)

No PO Boxes or delivery

4. East Liverpool. Docket No. 43920

Post Office Customers Affected: 207 (Item No. 51, p. 1)

Customers with Duplicate Delivery Service: 0 (Item No. 51 p.1)

Number of Boxes Available at Nearest Facility: 786, 3.8 miles away (Item No. 51 p. 3)

No change of address required, entire PO Box section transferring (page 1).

***5. Statehouse, KS. Docket No. 66612 (was suspended since 2002)**

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Number of Boxes Available at Nearest Facility: 1500, 1 mile away (p. 1)
Change in Address Required

USPS-LR-15

6. Northwest Plaza, MO. Docket No. 63074

PO Box Customers Affected: 78 (page 1)

PO Boxes Available at Nearest Facility: 200, 1.1 miles away (page 1)

Number of Customers with Duplicate Service: 0 (Item 30 p. 1)

No Change in Address for those keeping PO Box (Item 30 p. 2)

***7. Apparel Mart, TX. Docket No. 75258 (suspended since 2004)**

Boxes Available at Nearest Facility: 3127, 2 miles away (page 1; page 4 of LR)

Change in Address Required

***8. Buckeye, OH. Docket No. 44212**

PO Box Customers Affected: 82 (page 1)

Boxes Available: 112 (Item No. 42, p. 1)

Change in Address Required for at least 13 customers (Item 42 p. 2)

***9. Observatory Station, PA. Docket No. 15214**

PO Box Customers Affected: 27 (page 1)

Boxes Available at Nearest Facility: 104, 3 miles away and 423, 4 miles away
(page 1)

Number of Customers Receiving Duplicate Service: 27 (Item No. 21, p.1)

Change in Address Required; PO Box fees may increase (page 5)

***10. Overbrook, NJ. Docket No. 07009 (was suspended)**

PO Box Customers Affected: 26 (page 1)

Boxes Available: 26 (page 22 of LR)

Boxes Available at Nearest Facility: 107, 1.2 miles away (page 1)

Customers with Duplicate Service: 0

Change in Address Required

11. Ritz Finance Station. Docket No. 07026

No PO Boxes at Station (page 9 of LR)

Boxes Available at Nearest Facility: 200, 0.59 miles away and 100, 0.6 miles away
(page1)

No Change in Address

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12. Universal City, CA. Docket No. 91608 (was suspended)

PO Box Customers Affected: 588 (page 1)

Nearest Facility 2 miles away, no information is given about PO Box availability,
But documents state customers will keep same mailing address and ZIP.

USPS-LR-16

13. Rolling Acres, OH. Docket No. 44320

No BO Boxes

***14. Civic Center, VA. Docket No. 23240**

PO Box Customers Affected: 71 (page 1)

Boxes Available at Nearest Facility: 201, 0.31 miles away and 120, 0.39 miles
away (page 1)

Number of Customers Receiving Duplicate Service: Unknown (Item No. 12 p.1)

Change in Address Required

***15. Ecorse, MI. Docket No. 48229**

PO Box Customers Affected: 145 (page 1)

Boxes Available at Nearest Facility: 335, 1.7 miles away (page 1)

Change in Address Required

***16. Mayport, FL. Docket No. 32267 (was suspended)**

PO Box Customers Affected: 51 (page 1)

Boxes Available at Nearest Facility: 550, 5 miles away (page 1)

Number of Customers Receiving Duplicate Service: 0 (Item No. 8, p. 1)

Change in Address Required

17. Stanton, DE. Docket No. 19804

PO Box Customers Affected: 191 (page 1)

Customers Receiving Duplicate Service: 0 (page 8 of LR)

Boxes Available at Nearest Facility: 318, 1.5 miles away

No Change in Address

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USPS-LR-17

***18. Elizabethport, NJ. Docket No. 07206 (previously suspended)**

PO Box Customers Affected: 352 (page 1)

Customers Receiving Duplicate Service: Unknown

Boxes Available at Nearest Facility: 132, 1.78 miles away (page1) and 10, 0.9 miles away (Item 1, p. 2)

Change in Address Required (page 2)

***19. Air Mail Facility, VA. Docket No. 23250**

PO Box Customers Affected: 147 (page 1)

Customers Receiving Duplicate Service: Unknown

Boxes Available at Nearest Facility: 195 (moved PO Box section) 2.4 miles away (Item No. 11 p. 2) and 67, 2.2 miles away (page1)

Change in Address Required (page 2)

***20. Detroit AMC, MI. Docket No. 48242 (previously suspended)**

PO Box Customers Affected: 293 (page 1)

Customers Receiving Duplicated Service: 0

Boxes Available at Nearest Facility: 300, 4 miles away (page 1)

Change in Address Required (page 2)

***21. General Lafayette, NJ. Docket No. 07304 (previously suspended)**

PO Box Customers Affected: 260 (page 1)

Customers Receiving Duplicated Service: Unknown

Boxes Available at Nearest Facility: 90, 1.29 miles away and 45, 0.83 miles away (Item No. 1 p. 2) (differs from what is reported on page 1 of study and discontinuance checklist – 115 and 284 respectively)

Change in Address Required (page 3)

22. Pioneer, UT (previously suspended since 2006)

Docket No. 84147

PO Box Customers Affected: 575 (page 1)

Customers Receiving Duplicated Service: N/A

Boxes Available at Nearest Facility: Boxes moved to facility 0.6 miles away (page 1)

“For Most” No Change in Address (Item 2, p. 1)

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USPS/APWU-T1-4

Please refer to page 9 of your testimony, lines 1-8. You indicate that analysis of these transactions [non-revenue] provide a critical window into how customers are using the station and branch. You further state that the Postal Service should record and evaluate the non-revenue transactions.

- a. Please describe how specific analysis on non-revenue transactions as identified on page 8, lines 1-28 of your testimony will provide insights into how the office is used.
- b. In terms of workload, what will an analysis of non-revenue transactions, as identified on page 8, lines 1-28 of your testimony show?
- c. On Page 10, Lines 13-19, you indicate the use of demographic data of the surrounding neighborhood to indicate population with incomes less than \$20,000 immigrant population and potential language barriers.

Response:

- (a) Whether and to what extent customers use various non-revenue transactions can provide useful insight. For example
 1. Request Passport forms - We might find that the community served by the facility has significant international family or business ties. If this office does not currently process passports, the location may be a good candidate to become a Passport Acceptance Facility. These customers might also be using or be potential customers for Postal Service international products.
 2. Hold Mail - Customers may be using this service for the security of their mail while they are absent from their residence. This could suggest that residents in the serviced neighborhoods are less likely to avail themselves of carrier pickup of outgoing packages and mail.
 3. Product/Service Rate Inquires – Analysis of this information may suggest small or home businesses comparing shippers. For example, a person presenting one or two packages and requesting the precise postages and services – and then walking away without mailing anything – may be selling and shipping identical items on eBay or through a home business. The convenience of support from

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the Postal Service may determine whether this business comes to or stays with the Postal Service. The same is true of customers picking up flat rate envelopes and boxes.

4. Response to CFS Issues – The types of problems may indicate a transient community or the presence of multi-generational or multi-family households.
- (b) In terms of workload the analysis of non-revenue transaction has a time element associated with the task. For example in responding to a Computerized Forwarding System (CFS) issue where some family members moved out, but others remain at the old address and now all mail is forwarded; it could take 3 to 5 minutes to sort out. The problem and the time to fix it does not disappear with a closure.
 - (c) This subpart does not appear to be a question.

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USPS/APWU-T1-5

Please refer to your testimony at page 9, lines 2-3 and indicate whether the “we” who advise clerks referenced there is postal management or the American Postal Workers Union.

Response:

In my experience, both postal management and APWU have advised clerks to print and store receipts of non-revenue transactions. In classes APWU presents for APWU students, I or other APWU officials have advised clerks to save these receipts. I have also worked in a Function 4 team alongside Postal Management wherein Postal Managers have also recommended that these receipts be printed and stored.