

LIBRARY REFERENCE USPS-LR-N2010-1/2

MATERIALS RELATING TO POST OFFICE OPERATIONS
PORTION OF THE TESTIMONY
OF WITNESS GRANHOLM (USPS-T-3)

PURPOSE: The purpose of USPS-LR-N2010-1/2 is to present the background materials relating to the post office operations portion of the testimony of witness Granholm (USPS-T-3). Use of and reference to this set of materials are facilitated by consolidating it into one library reference. USPS-LR-N2010-1/2 is a Category 2 library reference, and will be sponsored by witness Granholm. It was prepared by Operations personnel in the Delivery and Post Office Operations Department.

PREDECESSOR MATERIAL: None.

INPUT/OUTPUT: The inputs to this library reference are identified within specific analyses included herein. The outputs of this library reference are used by Costing witnesses, specifically Dr. Colvin (USPS-T-7).

CONTENTS: The library reference consists of this Word (pdf) document, plus the following Excel file:

PO OPERATIONS.xls

ORGANIZATION: This Word document is set of sections, organized in relation to the associated Excel spreadsheets. Each section is intended to explain a particular analysis. The methodology and data for each analysis are described in the Word document, and the calculations for that analysis appear in the referenced portion of the relevant Excel file.

SECTION ONE

The Customer Service Variance (CSV) is a management tool which provides earned workload using nationally established factors. Credit is provided for various activities within each Labor Distribution Code (LDC). The savings estimated for Post Office Operations are broken down by LDC.

LDC 43 is used to report workhours for distribution operations. These include piece distribution of letters, flats, parcels, and the associated allied time. Allied

activities are classified as setup, spread, and pulldown. Workload credit in CSV is provided for each of the allied activities as follows: 3.75 minutes spread, 5 minutes setup, 3 minutes pulldown. This credit is daily and per route.

No savings were taken for spread and pulldown time as normal Saturday distribution volume will shift to the remainder of the delivery week. Setup time will remain largely intact on Saturday to accommodate PO Box delivery. The setup work typically includes parcel and bundle distribution setups. Saturday's parcel setup will remain and be ready for Monday distribution activities. Bundle distribution may or may not take place on Saturday based on local staffing and scheduling. This leads us to believe we can save a small portion of setup time due to no Saturday delivery. A quarter of the five minutes (1.25 minutes) was tagged as savings per route.

Each day, a distribution clerk is responsible for sorting and checking in and out carrier accountable items. These include Express Mail pieces, certified mail, registered mail, keys, and scanners, to name a few. Workload credit of 6 minutes per route per day is provided to handle carrier accountables in LDC 48. In the future, this activity will no longer be required on Saturday. The bulk of the 6 minutes is time spent servicing the carrier, not sorting individual mail pieces. Any additional volume on Monday will be absorbed into the provided 6 minute workload credit. These savings are directly related to number of city, rural, and HCR delivery routes, and may change as we continue to adjust and reduce routes through other initiatives.

Another activity performed by function 4 operations is handling local firm holdouts. This is a service provided to customers choosing to pick up their mail at a designated time instead of receiving street delivery. Per the DMM, these customers must receive 50 or more pieces of mail per day. Credit of 1.25 minutes per day is provided for the handling of these customers in LDC 48. This credit is not volume driven and no additional time will be required on Monday to handle this mail. This can be claimed as savings, as this mail will not be in the delivery units on Saturday and pickups cannot occur.

In the Excel file PO OPERATIONS.xls, the tab "CSV Constants" displays the factors and multipliers for the savings described above. The multiplier for the LDC 43 and LDC 48 carrier accountable savings is the number of city, rural, and HCR delivery routes. The multiplier for the LDC 48 Firm Holdouts savings is the number of firm holdouts reported by local delivery units. This data was extracted from CSV and can be found in the "Firm Holdouts from CSV" tab of the same Excel file.

SECTION TWO

Under the proposed 5 day delivery plan, Post Office Boxes will continue to be delivered on Saturday. Approximately 29,000 ZIP codes have both street and

PO Box possible delivery points. To properly measure service performance and provide customers with the correct expected delivery date, a change will be made in our retail point of sale system.

Each mail piece presented to a retail associate in one of these ZIP codes will have an additional prompt in the system to indicate whether the piece is addressed to a street or PO Box address. The associate will have to make an additional keystroke for each of these pieces. This information will be used to determine the expected delivery date of the mail piece.

In the Excel file PO OPERATIONS.xls, the tab "POS Additional Hours" displays data extracted from the Retail Data Mart (RDM) to determine how many pieces were mailed to these mixed ZIP codes in FY09. It was estimated that there will be 1 second additional for each of these transactions for the additional keystroke. This figure was used as the baseline number of transactions in the future. Applying the 1 second per transaction gave us an estimate of the additional work hours required in retail operations for this system change.

SECTION THREE

All mail pieces are not delivered on the first attempt for a variety of reasons; i.e. customer not home to sign for an accountable piece, no secure location at customer's residence to leave a package, etc. When this occurs, a PS Form 3849 (Left Notice) is left at the customer's location with procedures on how to receive delivery of the mail piece. The customer's options are redelivery of the piece by their carrier on the day of their choosing, or pick up by the customer the piece at their local Post Office.

In today's environment, customers may select redelivery of the item on Saturday when they know they will be home to receive it. In the future, Saturday redelivery by a carrier is no longer an option. This change may create additional non-revenue transactions in the Post Offices on Saturday and throughout the rest of the week.

In order to accommodate customer demand of pickup, we have built additional retail hours into the proposed plan. Approximately 2,500-3,000 Level 20 and above Post Offices do not currently offer Saturday retail hours. A breakout of these locations by level and facility subtype can be found in the Excel file PO OPERATIONS.xls in tab "NO Saturday Retail Hours". We added in 2 hours per week for these locations (using the higher end of the range, 3,000) if customer demand necessitates. Local decision must be made after a period of time to determine the need to implement additional retail hours. The added hours are not restricted to these locations, as some may not require additional retail hours in the future. These added hours appear as Extended Retail Hours in the "Summary FY09" tab of Excel file PO OPERATIONS.xls.