

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268B0001

SIX-DAY TO FIVE DAY STREET DELIVERY
AND RELATED SERVICE CHANGES, 2010

Docket No. N2010-1

RESPONSE OF THE UNITED STATES POSTAL SERVICE
WITNESS GROSSMANN TO DOUGLAS CARLSON INTERROGATORY
DFC/USPS-T4-21 (REDIRECTED FROM WITNESS NERI)
(May 6, 2010)

The United States Postal Service hereby provides its response to the above-listed interrogatory of Douglas Carlson dated April 22, 2010. This interrogatory has been redirected from witness Neri to witness Grossmann for response. The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux
Chief Counsel, Pricing and Product Support

Jacob Howley

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-8917; Fax -6187
May 6, 2010

**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO
INTERROGATORY OF DOUGLAS F. CARLSON
REDIRECTED FROM WITNESS NERI**

DFC/USPS-T4-21. Please confirm that a reduction in the number of facilities that process outgoing First-Class Mail on Saturdays will reduce transportation costs by reducing the number of truck trips necessary to transport mail to other processing facilities or hub-and-spoke facilities. Please explain your answer.

RESPONSE:

Not confirmed. A reduction in the number of facilities that process outgoing First-Class Mail on Saturdays may reduce transportation costs in some cases, but this would not always necessarily be the case. If outgoing First-Class Mail processing were maintained but the number of facilities performing that processing were reduced, the volume that would have been processed at those facilities would still need to be transported to other facilities for processing. The resulting transportation realignment could result in increase or decrease costs for each routing, depending on the amount of added distance and the extent of consolidation-based savings. The determination of whether to consolidate would have to be made on a holistic and case-specific basis, according to the overall value proposition for each routing based on facility cost, labor cost, and transportation cost.