

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

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

Docket No. N2010-1

RESPONSES OF POSTAL SERVICE WITNESS BRADLEY  
TO APWU INTERROGATORIES APWU/USPS-T6-1 - 2  
(May 6, 2010)

The United States Postal Service hereby provides the responses of witness Bradley to the following interrogatories of APWU, filed on April 23, 2010: APWU/USPS-T6-1 - 2. Each interrogatory is stated verbatim and is followed by the response.

UNITED STATES POSTAL SERVICE

By its attorney:

Eric P. Koetting

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2992, FAX: -5402  
May 6, 2010

Response of Postal Service Witness Michael D. Bradley  
To Interrogatories Posed by the APWU

APWU/USPS-T6-1 On page 2 of your testimony, you discuss previous examination of potential cost savings of five-day delivery conducted by the Postal Service and the Postal Regulatory Commission. Please confirm that the Postal Service study conducted by IBM did not examine the possibility of eliminating any day of delivery other than Saturday. Also, please confirm that the PRC study conducted by GMU did not examine eliminating any particular day of service.

APWU/USPS-T6-1 Response:

In regards to the Postal Service study, I cannot confirm that the study by IBM did not examine the possibility of eliminating any day of delivery other than Saturday. For example, page 43 of the report discusses investigation of a scenario in which the reduction in the number of delivery days could vary by ZIP Code which in many instances would require the elimination of a day of delivery other than Saturday. In regards to the PRC study, I can confirm that the GMU study examined a generic reduction in delivery days without regards to the particular day of service.

Response of Postal Service Witness Michael D. Bradley  
To Interrogatories Posed by the APWU

APWU/USPS-T6-2 On page 16 of your testimony lines 1-9 you state that “there are also some activities that could be considered to be volume related in a long-run sense. However, operations experts believe that almost all of this time will also be saved by the elimination from Saturday delivery.” Please identify the types of activities that you are referencing. Please provide the basis, including any studies and related documents, for the belief that the time spent on these activities will be saved.

APWU/USPS-T6-2 Response:

My testimony was referencing the volume variable (also called attributable) portions of Delivery Activities as defined by the Postal Service’s Annual Compliance Review (ACR) model. A description of those activities is provided by the Postal Service’s Summary Description:<sup>1</sup>

Delivery activities time is time spent by carriers in activities relating to delivery of mail, including delivering mail to customers in delivery sections, deviations to the customer’s door to deliver large parcels and accountables and associated deviation delivery travel time, and collecting mail from customer and street boxes. Delivery activities time is dependent on the volume of mail delivered and collected.

My testimony presents the estimated cost savings created by moving to five-day delivery in the area of city carriers. As explained on page 7 of my testimony, that estimate is based upon the anticipated operational response to five-day delivery. The relevant portion is reproduced here for convenience:<sup>2</sup>

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<sup>1</sup> See, Summary Description Of USPS Development Of Costs By Segments And Components, Fiscal Year 2008 at 7-2 (available on the Commission’s Daily Listings for July 1, 2009).

<sup>2</sup> See, Direct Testimony of Michael D. Bradley on Behalf of the United States Postal Service, Docket No. N2010-1, USPS-T-6 at 7.

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In general, four types of operational responses should be considered. The first type is analysis of which operations would be eliminated or curtailed on Saturday as a result of eliminating regular delivery service on that day. The second type is analysis of the structure of operations required for those services, like Express Mail Delivery, that continue to be provided. The third type is analysis of the operations on the other days of the week that could be influenced by the migration of mail from Saturday to those days. The fourth type is a change in the consumption of indirect resources such as supervisors, vehicles, or buildings caused by the change in operations

The estimate thus depends upon the beliefs of Postal operational experts about how the network would change in response to movement to five-day delivery. One of those beliefs is cited in your question. I would suggest that it falls into the third category of responses, namely the impact on operations on other day of the week that could be influence by migration of mail from Saturday to those days. For the basis of my use of the cited belief, please see the Direct Testimony of Dean Granholm on Behalf of the United States Postal Service, Docket No. N2010-1, USPS-T-3 at 10 and Library Reference USPS-LR-N2010-1/3 at 13. Finally, to the extent you are further interested in the basis for the underlying opinions of the operations experts upon which I rely, I recommend you direct relevant inquiries to them.

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this date served the foregoing document in accordance with Section 12 of the Rules of Practice and Procedure.

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Eric P. Koetting

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Washington, D.C. 20260-1137  
(202) 268-2992, FAX: -5402  
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