

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

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

Docket No. N2010-1

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS
DEAN J. GRANHOLM TO INTERROGATORIES OF THE AMERICAN POSTAL
WORKERS UNION, AFL-CIO (APWU/USPS-T3- 1-8)
(May 7, 2010)

The United States Postal Service hereby provides the responses of witness
Dean J. Granholm to the following interrogatories of the American Postal Workers
Union, AFL-CIO, filed on April 23, 2010:

APWU/USPS-T3- 1-8

Each interrogatory is reprinted below, and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux
Chief Counsel, Pricing and Product Support

Brian Reimer

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-3037; Fax -5492

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APWU/USPS-T3-1. On page 3 of your testimony, lines 19-20, you state that “Current Post Office Box delivery will remain intact on Saturday for customer convenience.” Does this mean that there will be mail delivered to the Post Office that day and sorted to the Post Office Boxes or does it mean that customers will continue to have access to their Post Office Boxes to pick up mail that was delivered and sorted on Friday?

RESPONSE:

Mail will be delivered and sorted to Post Office Boxes on Saturday, in the proposed plan, to locations with current Saturday PO Box delivery. This also includes Caller Service mail addressed to a PO Box.

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APWU/USPS-T3-2. On page 5 of your testimony, lines 17-18, you indicate that “to manage Monday work hours, delivery supervisors will likely defer non-committed mail for delivery on Tuesday.”

- a.) Please define “non-committed mail” and describe the types of mail that would fall into this category.
- b.) How long would this mail typically have been waiting in the Post Office by the time it is delivered?
- c.) If there is a Monday holiday, when is this mail likely to be delivered?

RESPONSE:

- a.) Non-committed mail is mail that may be curtailed and will not impact on service standards. This is generally Standard Mail.
- b.) The local unit may only curtail it for one business day. If the mail arrived for Friday delivery, and if it was curtailed Friday it would have to be delivered on Monday. If the mail arrived for Monday delivery, it would have to be delivered on Tuesday. If it arrived for delivery on Tuesday after a Monday holiday, it would have to be delivered Wednesday.
- c.) Much of the standard mail will be included in the automated mail stream, and will be delivered on Tuesday. Any standard mail not delivered on Tuesday would be expected to be delivered on Wednesday.

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APWU/USPS-T3-3. On page 5 of your testimony, lines 18-21, you state that due to “increased mail volume on Fridays, Mondays and Tuesdays, there may be increased work hours in the form of overtime and/or auxiliary assistance.” The Postal Service currently has a virtual ban on all overtime hours. Given that it will continue to be looking for additional savings, how likely is it that delivery supervisors will be allowed to use overtime hours to deliver increased volumes?

RESPONSE:

The preferred solution to increased workload would be to curtail non-committed mail. If mail is not available for curtailment, supervisors will have to utilize the other tools available to them such as any undertime on another route, auxiliary assistance and overtime.

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APWU/USPS-T3-4. On page 8 of your testimony you discuss the impact on mailers who normally drop ship mail on Saturday. Could you please clarify the following:

a.) You state “destination drop-shipped mail will still have a start the clock event on the day it is accepted by the USPS, provided it is entered prior to the local critical entry time.” Will destination drop-shipped mail still be accepted on Saturdays?

b.) What is the average number of pieces drop shipped at originating units on Saturdays? Will it be possible to provide all the Saturday shippers Friday slots if they do not want their mail to sit around until Monday processing times?

c.) Will the reduced window of operation for drop ship appointments only be reduced on Saturday? Will the window for appointments on Friday be increased?

d.) You also state that “[i]n the future, the window of operation for drop shipment acceptance will align with retail hours due to the limited distribution operations on a Saturday.” Will retail hours be extended to accommodate an increased need for drop shipment acceptance times Monday-Friday?

RESPONSE:

a.) Destination drop-ship mail will be accepted on Saturday in locations with Saturday drop-shipment acceptance hours.

b.) The average number of pieces dropped at originating units on Saturday was 30,303,169 for FY2009. This is the total volume dropped at BMEU and Post Office locations, but excludes Detached Mail Unit (DMU) locations. Local managers and mailers will have to determine if changes are possible to existing Saturday acceptance appointments to another day of the week. The FAST system should be used when determining potential Friday availability.

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c.) Saturday would be the only day drop-ship hours are reduced at delivery units, if at all, in some locations. It is not expected that Friday's window for appointments will be increased.

d.) Drop-ship appointments on Saturday will be related to retail hours. It is not expected that retail hours will be extended to accommodate drop ship appointments Monday-Friday. On weekdays, there is sufficient time for drop ship appointments due to the afternoon activities in the back office of a delivery unit.

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APWU/USPS-T3-5. On page 9 lines of your testimony, 9-12 you estimate “that no more than ten percent of Saturday delivery time will be needed on the other days of the week under five day delivery.” Please explain whether this ten percent is cumulative over Monday – Friday or is an increase added to each day.

RESPONSE:

This additional time expenditure is anticipated for Monday and is due to increased mail volumes which historically would have been delivered on Saturday.

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APWU/USPS-T3-6. On page 10 of your testimony, you discuss the impact on collections operations. On lines 10-13 you state "Field managers will also need to consider the impact of heavier collection volume on Monday outgoing operations – they may need to advance collection mail arrival at the plant. Advancing collection mail could require additional work hours Mondays.

- a.) Please explain what is meant by "advance collection mail arrival at the plant."
- b.) If Monday is a holiday, will collection mail arrival be advance on Tuesdays? Will additional work hours be needed on Tuesdays?
- c.) How many additional work hours to you estimate will be necessary on either Monday or a Tuesday after a Monday holiday? Please explain the basis for this estimate.

RESPONSE:

- a.) It is anticipated that during certain periods of the year, additional volumes may be deposited over the weekend such that an early collection on Monday may be necessary due to overflow situations. This should occur on specific boxes, and would be anticipated by local management based on historic volumes.
- b.) In the same manner as answered in subpart a, when mail accumulates in certain boxes for a three day period, some of those boxes will experience additional volumes, potentially causing an over flow situation. Local offices will be expected to anticipate this situation and either institute early collections or enhance the box capacity to minimize the need to collect the box early.
- c.) It is not possible to come up with a specific number until the plan is approved and in place, and local offices must create plans to respond to the situation.

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APWU/USPS-T3-7. On page 11 of your testimony, lines 17-19 you indicate that “because of the forecast of a continuing decline in volume and the in-office impact of FSS implementation, work hours on City routes should remain very near eight hours daily.”

a.) Will FSS deployment and ramp up be complete at all locations by the time the Postal Service moves to a 5-day delivery schedule?

b.) Will the implementation of 5-day delivery be determined by when the FSS deployment is complete?

c.) How much leeway is there in this estimate of Monday and Tuesday mail volumes for work hours to remain near eight hours? What if mail volumes recover to 2008 levels instead of continuing to fall? What if they remain at 2009 levels instead of continuing to fall?

RESPONSE:

a.) It is unknown at this time and it is impossible to project when the Postal Service would move to a five day schedule; however there is no direct linkage between FSS implementation and Five Day delivery service.

b.) No. The implementation of the Five Day plan will not be determined by when the FSS deployment is complete.

c.) We do not expect the transition to Five Day delivery to impact city routes to the extent that the change will require additional costs beyond what was incurred to maintain city route structure during FY 2009.

If mail volumes recover to 2008 levels instead of continuing to fall, administrative costs will occur to adjust the routes to eight hours if necessary. This would be done regardless of Five Day implementation.

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The 2009 mail volume numbers were used in the Five Day delivery case.
Therefore, if mail volumes remain at 2009 levels instead of continuing to fall, the
savings would be those in the filing.

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APWU/USPS-T3-8. On page 7 of your testimony, lines 13-15 you state that there is a “37% PO Box vacancy rate nationally” and therefore, new requests related to businesses requiring PO boxes when the Saturday delivery of their holdout mail is discontinued could be accommodated. In Docket No. N2009-1, the Postal Service averred that it anticipates sufficient PO Box space to allow it to accommodate customers who have PO Boxes in stations and branches that will be closed with replacement PO Boxes in the post office closest to them.

a.) Have the overlapping demands of these two programs been evaluated together?

b.) What percentage of the PO Box vacancies are currently in stations or branches on the list for possible closure?

RESPONSE:

a.) No. However, evaluations from the candidate Station and Branch closing offices reveal adequate to more than sufficient space to accommodate additional PO Box customers. Districts have indicated that the existing PO Box customers for possible closure offices will be absorbed into adjacent Post Offices. In many cases the entire box section will be relocated to an adjacent Post Office.

b.) The information is not available in a format that can provide a vacancy percentage rate for the total possible closure offices. On average, the vacancy rates are the same as or higher for the possible closure offices than the “37% PO Box vacancy rate nationally”.