

**BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001**

**Six-Day to Five-Day Street Delivery  
and Related Service Changes, 2010**

**Docket No. N2010-1**

**DOUGLAS F. CARLSON  
MOTION TO COMPEL THE UNITED STATES POSTAL SERVICE  
TO RESPOND TO INTERROGATORY DFC/USPS-T4-14**

**May 10, 2010**

On April 1, 2010, I filed interrogatory DFC/USPS-T4-7, which requested information on existing Saturday consolidation plans for processing outgoing mail.<sup>1</sup> The Postal Service responded with a list of facilities that process outgoing mail on weekdays but not on Saturdays. The list also identified the facility to which each facility that does not process outgoing mail on Saturdays sends its outgoing mail on Saturdays.<sup>2</sup>

On April 20, 2010, I filed interrogatory DFC/USPS-T4-14, the subject of this motion.<sup>3</sup> Interrogatory DFC/USPS-T3-4 reads:

Please refer to your response to DFC/USPS-T4-7. Please identify the cost savings from each existing Saturday area mail processing plan.

The Postal Service did not object to this interrogatory. Witness Neri answered as follows:

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<sup>1</sup> Douglas F. Carlson Interrogatories and Requests for Production of Documents to United States Postal Service Witness Frank Neri (DFC/USPS-T4-1-9), filed April 1, 2010.

<sup>2</sup> Revised Response of United States Postal Service Witness Neri to Douglas Carlson Interrogatory DFC/USPS-T4-7 [Errata], filed April 29, 2010.

<sup>3</sup> Douglas F. Carlson Interrogatories and Requests for Production of Documents to United States Postal Service Witness Frank Neri (DFC/USPS-T4-10-16), filed April 20, 2010.

There is no headquarter-sponsored Saturday consolidation program. Individual district managers assess the opportunities and, where economically feasible and while maintaining service, consolidate Saturday originating mail for selected sites into other sites. District managers are empowered to evaluate these opportunities and make these decisions on their own, at the local level.<sup>4</sup>

The interrogatory did not request information concerning a headquarters-sponsored Saturday consolidation program. Instead, it asked witness Neri to identify cost savings from existing programs. Witness Neri failed to do so. Therefore, pursuant to rule 26(d), I move to compel a responsive answer.

## **Discussion**

The Postal Service's plan for five-day service proposes to eliminate two different and largely independent services on Saturdays: carrier delivery of incoming mail and collection and processing of outgoing mail. The Postal Service acknowledged that it could still enjoy 75 to 85 percent of the estimated \$3.3 billion in savings from its five-day plan if it continued to collect and process outgoing mail on Saturdays.<sup>5</sup> The Postal Service has not presented any information indicating that the public agrees with the elimination of collection and processing of outgoing mail if eliminating this service would contribute only 15 to 25 percent of the savings from the unprecedented service reduction that the Postal Service proposes.<sup>6</sup>

Congress required the Postal Service to seek an advisory opinion from the Commission before implementing a change such as the one the Postal Service proposes now because Congress understood that a hearing on the record, conducted by a commission with expertise in postal matters, could provide valuable advice, suggestions, and input to the Postal Service. Participants in this proceeding therefore are entitled to support, to oppose, *and to present alternatives* to the plan that the Postal Service has presented.

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<sup>4</sup> Response to DFC/USPS-T4-14, filed May 4, 2010.

<sup>5</sup> Response to DFC/USPS-T2-3, filed April 15, 2010.

<sup>6</sup> See, e.g., Response to DFC/USPS-T1-5, filed May 4, 2010.

The Postal Service's estimate that it would still save 75 to 85 percent of the \$3.3 billion in projected savings if it continued to collect and process outgoing mail on Saturdays presumably considered the current processing environment. In reality, if the Postal Service stopped carrier delivery on Saturdays but continued to collect and process outgoing mail, mail volume on Saturdays would decline because carriers would not be collecting outgoing mail from homes and businesses on their routes. Distance and volume probably are the two largest factors in determining whether plant consolidations on Saturdays are possible. If collection volume declined, more consolidations likely would be possible on Saturdays. For example, in Northern California, the Oakland P&DC probably could process outgoing mail from Sacramento, Stockton, North Bay, and San Francisco on Saturdays. Currently, three of these plants, Sacramento, Oakland, and San Francisco, process outgoing mail on Saturdays.<sup>7</sup> The distance from Oakland to these other plants ranges from about 15 to 85 miles. The Postal Service already consolidates mail between plants located farther apart. For example, mail from the San Bernardino P&DC travels approximately 100 miles to the San Diego P&DC on Saturdays.<sup>8</sup> Mail from Rapid City logs approximately 340 miles on its journey to Sioux Falls every Saturday.<sup>9</sup>

Participants are entitled to develop evidence concerning the potential cost savings of additional plant consolidations on Saturdays.<sup>10</sup> This evidence could be critical to maintaining a fundamental postal service. The Postal Service has exclusive control over this information and does not publish it or share it with the public. The presiding officer should direct the Postal Service to provide available estimates of savings, regardless of the location of the office in which the information resides, to enable participants to understand the magnitude of

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<sup>7</sup> Response to DFC/USPS-T4-7.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> Comments from the Postal Service at the prehearing conference suggest that the Postal Service wants only a thumbs-up or thumbs-down response to its current proposal. This advisory-opinion process exists to allow the public and the Commission to agree with the Postal Service's

savings from Saturday consolidations. Examples of cost savings from representative Saturday consolidation plans also would be acceptable.

Witness Neri's response reveals another opportunity for the Postal Service to benefit from the Commission's advisory opinion. His response indicates that the Postal Service apparently leaves the consolidation decision up to individual district managers. The consolidation example I outlined above would cross two districts, Bay-Valley and San Francisco. Organizational boundaries often lead to "silo" behavior. The Postal Service might be able to reduce costs further with a headquarters-sponsored Saturday consolidation initiative.

Without information on the magnitude of cost savings from Saturday consolidations, participants may be unable to present meaningful evidence on this subject. Common sense suggests that the Postal Service would not consolidate Saturday operations without some analysis of the net cost savings in doing so. Information responsive to DFC/USPS-T4-14 surely exists. However, in the unlikely event that it does not exist, it could be developed, at least for representative Saturday consolidation plans. The effort in developing responsive information would be entirely justified to ensure that the reduction in service that the Postal Service proposes undergoes rigorous scrutiny, including evaluation of reasonable alternatives.

For the reasons explained herein, I move to compel the Postal Service to respond to DFC/USPS-T4-14.

Respectfully submitted,

Dated: May 10, 2010

DOUGLAS F. CARLSON

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proposal, to disagree with it, and to present alternatives. I am developing evidence to present an alternative for Congress, the Postal Service, and the public to consider. Tr. 1/28-29.