

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

**AMERICAN POSTAL WORKERS UNION, AFL-CIO
MOTION TO COMPEL USPS TO RESPOND TO
INTERROGATORY APWU/USPS-T2-7
(June 21, 2010)**

On May 28, 2010, American Postal Workers Union, AFL-CIO ("APWU"), propounded interrogatory APWU/USPS-T2-7 to United States Postal Witness Joseph Corbett (USPS-T-2). Interrogatory APWU/USPS-T2-7 states:

On page 11 you state that the average number of pieces per delivery point per day was right around 5 pieces in 2000 and that by 2009 that number had dropped to slightly below 4. For those two years and 2006 (the year of peak mail volume) please provide a more detailed breakdown of the number of deliveries per delivery point by routes. Specifically:

- a). What is the distribution of the average number of pieces per delivery point by routes?
- b). What types of routes show above average pieces per day?
 1. By income
 2. By geographic region
 3. By rural/urban
 4. By business/residential
- c). What types of routes show below average pieces per day?
 1. By income
 2. By geographic region
 3. By rural/urban
 4. By business/residential

After a brief consultation with APWU about the requested information, the Postal Service objected to this interrogatory in total on June 7, 2010, claiming that providing the requested information would cause the Postal Service an undue burden and that the information requested was not relevant. Pursuant to Rule 26(d) of the Commission Rules of Practice, APWU hereby moves to compel the Postal Service to respond to Interrogatory APWU/USPS-T2-7 as explained more fully below. The information sought by interrogatory APWU/USPS-T2-7 is highly relevant to this docket and, we are willing to narrow the request as set forth in this motion to reduce any potential burden to the Postal Service.

Relevance

The Postal Service contends that the information sought by this discovery is not relevant to the proceedings as it can find no conceivable worth of the requested disaggregated data. This objection is without merit. The requested information is reasonably calculated to the discovery of admissible evidence and is relevant to the subject matter of the proceedings, as required by Rules 25-26 of the Commission Rules of Practice. The primary purpose of Witness Corbett's testimony is to present the financial and market reasons as to why the "change to five-day delivery is necessary and unavoidable." APWU-T-2 at p 2. As part of this presentation, Corbett states that "revenue per delivery point per day is one metric that quickly exposes the crux of the problem." APWU-T-2 at p 11. Corbett then details how the absolute number of pieces per delivery point have been declining. However, the Postal Service provides no analytical method or approach to evaluating the impacts of five-day delivery. Simply because the Postal Service, for inexplicable reasons, avoided this analysis, the Postal Service cannot bar others from doing so. As stated at the Prehearing Conference in this docket, APWU intends to submit rebuttal testimony. The information sought by this interrogatory is necessary to our analysis of 5-day delivery and despite attempts to get this information elsewhere, the Postal Service is the only likely source of any useful data.

The Postal Service is painting a picture using the broad strokes of national averages to support its case, but these sorts of averages mask a lot, both in potential

cost and service impacts. The information requested is necessary and relevant to uncover and evaluate these potential impacts. For example, routes with heavy volumes may require more Monday through Friday delivery time in the five-day delivery environment as compared with today. This may impact service performance. The distribution of routes by volume might give a better assessment of this potential. An examination of revenue per route at six delivery days and reworked to five delivery days may indicate how many routes on the cusp of profitable might change to profitable. We anticipate finding that profitable routes have not only more volume, but also a different mix of products from non-profitable routes. Thus, examining potential volume losses by product by route may also move some routes on the cusp of profitable to non-profitable.

This type of analysis is also likely to uncover public policy considerations. For example, it is likely that periodicals will be overrepresented within profitable routes, but as a result of the proposed changes, many periodicals will be forced out of business. Others will turn to alternatives to the mail. In essence, periodicals mail will be sacrificed in an attempt to make profitable routes more profitable. Parties should be permitted to present evidence like this to the Commission for its review. This analysis speaks directly to whether the proposed changes conform to the policies of Title 39, a requisite consideration of the Commission in this docket.

Undue Burden

In its objection to this interrogatory, the Postal Service asserts that much of the information requested simply does not exist and that conducting the analysis required by interrogatory APWU/USPS-T2-7 would take enormous time and resources. As to the first point, it is difficult to believe that much of the requested information does not exist. For example, USPS has been able to provide delivered volumes by the day of the week in this docket. Saturation mailers must know the number of delivery points on every route for every day, thus the Postal Service should have this information. Additionally, the Postal Service was able to calculate a cost for universal service; certainly included in this calculation was a break down of delivery points and route locations. However, APWU has not used this type of information before so we do not know precisely what data is actually available to satisfy our request. APWU has contacted counsel for the

Postal Service to get a better understanding of what is available and expressed our willingness to narrow the request. Postal Service counsel has indicated a willingness to continue the discussion of APWU's new approach to obtaining the data for the analysis we seek to perform. This discussion is in its infancy, but we are hopeful that it will be productive.

In the absence of more information on what data is currently available, APWU is willing to make certain concessions to our request. APWU is prepared to use data, like that provided in the City Carrier Cost System and Rural Carrier Cost System, already on the public record. However, this is sampling data. Therefore, in order to effectively use this information, APWU will need the following information:

- Basic control totals for the number and types of carrier route for the time period consistent with the City Carrier Cost data submitted with the R2001-1 and R2006-1 rate cases and for the ACR2007.
- ACR2008 and ACR2009 data (the latter are presumably FY2007, FY2008 and FY2009) please provide the count of city carrier routes in the City Master file for the same quarter of each of those time periods (only one quarter per year is needed but it should be the same quarter) that are in each block of the table below:

	CAG A-E Post Offices	CAG F-L Post Offices
Business routes		
Residential routes		
Mixed routes		

Please use the definitions normally used to stratify these data for sampling.

- For the time period consistent with the Rural Carrier Cost data submitted with the R2001-1 and R2006-1 rate cases and for the ACR2007, ACR2008 and ACR2009 data, provide the count of rural carrier routes in the Rural Master file for the same quarter of each of those time periods (only one quarter per year is requested but please have it be the same quarter in each year and the same quarter for which the CCCS counts are provided) that are in each block of the table below:

	Districts with 20 or fewer rural routes	Districts with more than 20 rural routes
Rural routes		

- Also provide a total number of city carrier routes, the number of rural routes for each of these time periods. Please indicate if there are additional routes that would not fall under either group and describe those.

At present, this is the minimum data necessary for the APWU to conduct its analysis. It has been tailored to create a minimal burden on the Postal Service, requiring them to produce data that should be readily available and requiring no analytical undertaking by the Postal Service. Despite this effort, if the Postal Service maintains that it will be unduly burdened by production of the minimal information requested, APWU requests that the Postal Service be compelled to provide a listing of the information and data it has relating to revenue and volume of mail per delivery point and/or per route for the past five fiscal years, with detail, including, but not limited to, the location, date of production and format of this data.

Conclusion

For the forgoing reasons, the Commission should compel the Postal Service to provide a response to APWU/USPS-T2-7. As demonstrated, the information requested in this interrogatory is highly relevant to the current proceedings. Furthermore, although the Postal Service claims that much of the requested data does not exist and/or would be unduly burdensome to produce, APWU has narrowed its request, as detailed above, to eliminate any burden to the Postal Service.

Respectfully submitted,

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