

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

RESPONSES OF THE UNITED STATES POSTAL SERVICE
WITNESS GROSSMANN TO AMERICAN POSTAL WORKERS UNION, AFL-CIO,
INTERROGATORIES APWU/USPS-T5-1-4
(June 23, 2010)

The United States Postal Service hereby provides its responses to the above-listed interrogatories of the American Postal Workers Union dated June 9, 2010. Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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June 23, 2010

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS GROSSMANN
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APWU/USPS-T5-1. On page 6 of your testimony you state that you redistributed the mail volume that would normally be transported on Sunday to Tuesday. Does such a redistribution cause you to use more expensive or less expensive air network transportation on Tuesday than it does on Sunday? What factors will determine if there will be enough capacity in the air networks for this extra capacity on Tuesdays?

RESPONSE:

It is assumed a redistribution will create the need to utilize less expensive air network transportation. Please see Library Reference USPS-LR-N2010-1/NP1, Materials Relating to Air Transportation Portion of the Testimony of Witness Bradley (USPS-T-6). On the second question, I assumed that sufficient capacity would exist on Tuesdays based on my knowledge of the air transportation network's current absorption capacity on Tuesdays following Monday holidays. In addition, the Postal Service can extend the use of road feeder service to move volume to locations in which excess capacity exists. I also note that the recent declines in mail volume since the last round of air transportation negotiation have left some excess capacity under current Postal Service contracts. It would be premature for me to guess at the outcome of future contract negotiations, but it is likely that the shift to a five-day delivery environment would be a significant factor in defining the Postal Service's needs in such negotiations.

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APWU/USPS-T5-2. On page 2 of your testimony, lines 19-20, you indicate that First Class, Priority Mail and Express Mail travel by air or surface depending on the service standard and the distance they must travel.

- a. Have you evaluated whether you will need to send more of this mail by air in order to meet service standards given the anticipated changes in how the mail volumes will be distributed? If so, please provide the results of this evaluation. If not, please explain why this has not been examined.
- b. Since the current delivery pattern for Express Mail will be maintained, will that require more Express Mail to be transported separately from First Class and Priority Mail given that it will have a tighter service schedule to meet?

RESPONSE:

- a. No. This subject has not been examined because, given the anticipated changes in how mail volumes will be distributed, it is not expected that any such compensatory transportation mode shifts would be necessary in order to meet service standards.

Because there will not be outgoing processing on Saturday and no subsequent transportation Saturday evening or Sunday, mail collected on Saturday will be transported on other days of the following week, after processing. The start-the-clock event for such mail will be on Monday. Hence, service standards will start from that point, and I anticipate that the mail will continue to meet applicable service standards without a change in the current allocation of transportation modes. In fact, there may be some opportunity to shift additional volume to surface transportation, due to increased day-specific volume flows and the resulting potential to optimize capacity use (see USPS-T-5 at 4).

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RESPONSE TO APWU/USPS-T5-2 (continued):

- b. Express Mail will travel on weekend days in the same manner it does today. First-Class and Priority Mail collected on Saturday will not be transported on Saturday, however. Hence, Express Mail will be transported separately from First-Class Mail and Priority Mail.

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APWU/USPS-T5-3. Please clarify the following statement from Page 8, lines 7-9 of your testimony: “this reduction in transportation will translate directly into a reduction in drivers, I estimate that there will be an approximate reduction of 42 percent in VSD administration.” Do you mean a 42 percent reduction in Saturday driver workhours?

RESPONSE:

Confirmed.

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APWU/USPS-T5-4. On page 8 of your testimony you indicate that a 5-day delivery structure will require less HCR transportation. This would seem to indicate an increase in capacity utilization of existing trucks, is that true? Would it reduce the number of trucks that would require routing to an STC?

RESPONSE:

Yes, it is expected that there will be an increase in capacity utilization of existing trucks.

It is possible that as implementation of the five-day delivery network commences, additional direct, point-to-point trucks can be created in optimization of capacity existing at that time, thereby reducing the number of trucks requiring routing to a Surface Transportation Center (STC).