

Before the  
POSTAL REGULATORY COMMISSION  
Washington, DC 20268-0001

Six-Day to Five-Day Street Delivery :  
and Related Service Changes : Docket No. N2010-1

GREETING CARD ASSOCIATION FOLLOWUP INTERROGATORIES  
TO POSTAL SERVICE WITNESS BRADLEY  
(GCA/USPS-T6-14 to -T6-18 )

Pursuant to Rules 25 and 26 of the Commission's Rules of Practice, the Greeting Card Association herewith submits followup interrogatories and requests for production of documents, specifically:

GCA/USPS-T6-14 to -T6-18, to witness Bradley.

The term "documents" includes, without limitation, letters, telegrams, memoranda, reports, studies, articles from periodicals, speeches, testimonies, books, pamphlets, charts, tabulations, and workpapers. "Documents" includes written or printed records and disks, tapes, or other recorded media (together with such written matter as is necessary to understand and use such disks, tapes, or other media).

June 30, 2010

Respectfully submitted,

GREETING CARD ASSOCIATION

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GCA/USPS-T6-14

In light of your answer to GCA/USPS-T6-4. b., please replace the word “volume” with the words “costs or deficits”. On that basis, please answer part a. (as so revised) and part b of GCA/USPS-T6-4.

GCA/USPS-T6-15

In response to GCA/USPS-T6-4, you note that your “task was to estimate the potential cost savings from moving to five-day delivery”. Please estimate the potential cost savings under the following plausible “operations” scenario. (If unable to answer, please have the question redirected to another USPS witness.)

Assume that as the result of collective bargaining in 2010-2011 the elimination of Saturday delivery in city and rural areas is accomplished *first* through the elimination of non-career delivery carriers, and *second* with regular career employees, only after all non-career options are exhausted. For rural carriers, please assume that all the Saturday savings would come from USPS witness Granholm’s “Rural Carrier Non-career Barg” employee type at a productive hourly rate (phr) of \$20.18. (See USPS-T-7, Attachment 1, p. 2.) For city carriers, please assume the savings would come *first* from “City Carrier TE” (\$24.47 phr) and “City Carrier Casual” (\$13.09 phr) employee types in witness Granholm’s testimony, and *second* from “City Carrier PTF” (\$36.33 phr) employee type, and *third* from “City carrier PTR” (\$39.79 phr), and finally *fourth* from “City Carrier FTR” (\$41.74).

Specifically:

- a. Please calculate the savings from eliminating Saturday delivery using the above cost assumptions and assuming there are no retirements.
- b. Please calculate the savings from eliminating Saturday delivery using the above cost assumptions and long run annual rates of retirement. For purposes of the “long run”, please use a simple annual average rate for carriers between 1986 and 2006.

GCA/USPS-T6-16

In light of your answers to GCA/USPS-T6-9, please answer the following further questions:

- a. For the route reduction figures you noted in response to part a., what are the percentages of the respective route reductions in relation to the total numbers of routes?
- b. Is the reduction in volume you refer to on page 16 of your testimony based on long run factors such as Internet diversion or short run factors like the current recession?
- c. In light of your answer to a. in the original question, are you retracting or modifying your testimony statement on page 16 that the reduction in mail volume has outstripped the efforts to reduce the number of routes? Please explain your answer fully.
- d. In light of your answer to a. in the original question, are you retracting or modifying your testimony statements on page 16 that “there is available capacity on the street” now and “will be” in the future? Please explain your answer fully.

- e. In light of your answer to a. in the original question, please state whether the Postal Service's "materially adjusted capacity" renders moot the argument you make in your testimony on page 16, lines 10-16. Please explain your answer fully.

#### GCA/USPS-T6-17

Please refer to your answer to GCA/USPS-T6-9. a., in which you note that adjusting network capacity depends in part on "the expected duration of the volume decline."

- a. Would you agree that volume declines due to Internet diversion are permanent?
- b. If you answered "yes" to part (a) above, would you agree that network capacity should be adjusted *pari passu* with declines in volume due to Internet diversion? If your answer is anything other than an unqualified "yes", please fully explain it.
- c. Is the Postal Service's network capacity reduction fully reflecting the declines in volume due to Internet diversion or only partially reflecting those declines?

#### GCA/USPS-T6-18

In your answer to GCA/USPS-T6-10, you quote USPS witness Granholm's statement about carrier technicians no longer being necessary without reproducing its context. The next sentence on lines 20-22 of that testimony states

that carrier technicians will fill jobs that “become vacant through attrition and the elimination of Transitional Employees.”

- a. Transitional employees are paid \$24.47 at their productive hourly rate (phr), according to testimony from USPS witness Colvin. This is approximately 59 percent of the phr of \$41.74 for full time city carriers.

Please confirm that under 5 day delivery, Monday-Friday delivery costs will be increased as a result of substituting former carrier technicians for transitional employees. If you do not confirm, please explain fully.

- b. Have you factored in this cost increase in estimating your overall cost savings for five-day delivery? If so, please indicate where. If not, why not?
- c. Please confirm that the cost reductions, under six-day delivery, from attrition of full time career carriers that are not replaced would not exist under the five-day plan because carrier technicians would assume those jobs at comparable pay scales to carriers leaving the USPS from attrition. If you do not confirm, please explain fully.
- c. Please provide your best estimate of the number of carrier technicians eliminated under your cost savings calculations for five-day delivery, and the number of carriers leaving from attrition.