

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

REVISED RESPONSE OF
UNITED STATES POSTAL SERVICE WITNESS PULCRANO
TO AMERICAN POSTAL WORKERS UNION INTERROGATORY APWU/USPS-T1-6
[ERRATA]

The United States Postal Service hereby provides the revised response of witness Samuel Pulcrano to American Postal Workers Union interrogatory APWU/USPS-T1-6. The answer to subpart (e) was inadvertently omitted from the original response dated June 28, 2010. The revised response includes the original responses to subparts (a) through (d) as well as the response to subpart (e). The interrogatory is stated verbatim and followed by the complete response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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June 30, 2010

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APWU/USPS-T1-6

In Appendix A of USPS Library Reference N2010-1/1 there is a list of “public reaction” to 5-day delivery. Please detail the plans the Postal Service is making in the following areas:

- a). How will household deliveries be handled during the few weeks before Christmas? Would plans for any Saturday delivery during December include only packages or also letter mail?
- b). Periodicals mailers indicated major potential problems with the plan:
 - i. One publisher stated that everyone would want “that Thursday truck.” If there is more demand for Thursday resources than the Postal Service can accommodate, how will that be resolved? How will customers receiving Thursday service be selected?
 - ii. Several customers indicated that they would need to change their editorial calendars and print schedules and that there would be difficulties in fitting all the printing into the new schedule. Has the Postal Service done any analysis on what impact its change to five day delivery will have on the production schedules for other industries? If so, which industries has it evaluated and what are its findings?
 - iii. It seems like a squeeze on resources will most impact small periodicals. Has the Postal Service made any evaluation of the impact on small periodicals mailers?
- c). A mailer of prescription drugs indicated a one to two day extension in its deliveries of prescriptions. What plans is the Postal Service making to lessen the impact in this area?
- d). It was noted that financial institutions are dealing with new legislation that requires them to extend their billing period prior to the due date. This is already reducing their flexibility. What plans is the Postal Service making to lessen the impact in this area?
- e). Several comments indicated that the impact to their business would be mitigated if the Postal Service could make prompt delivery on Fridays. Has the Postal Service evaluated what the likely impact on demand for Friday delivery will be? What types of capacity constraints has it identified? What plans has it made to meet increased demand for Friday service?

RESPONSE

- a) Deliveries to street addresses of households and businesses would be made Monday through Friday every week of the year, except of course when there is a holiday.

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The Postal Service's objective is to timely deliver all parcels (many of which are presumed to be holiday gifts) before Christmas, regardless of class of mail. Delivery of parcels on the two or three Saturdays before Christmas Day will be made if volume warrants and depending on what day of the week Christmas Day falls. For example, if Christmas Day falls on a Monday and volume warrants, the Postal Service will deliver parcels on the two or three Saturdays before Christmas. This will be a local operating decision, just as it is today when parcels are delivered on a Sunday before Christmas. The Postal Service does not intend to deliver letters or flats on the two or three Saturdays before Christmas.

- b)
 - i) The Postal Service does not share this concern because it has adequate capacity to handle the processing of mail that is scheduled to be delivered on Thursday and every other day of the week. I am informed by witness Grossmann that if additional transportation is needed to ensure timely delivery of mail, it will be obtained and utilized.
 - ii) The Postal Service has not conducted any analysis of changes in the production schedules of publishers or any other industries. Consultations with publishers lead us to conclude that some would have to make changes in their calendars and schedules.

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iii) The Postal Service does not consider that it will be “squeezed” because of five-day delivery. I am informed by witness Neri that there is expected to be more than adequate capacity in the postal system to continue to timely deliver all classes of mail, including Periodicals Mail if five-day street delivery and the other processing changes are implemented. The Postal Service has no data regarding any potential squeeze on the resources of small Periodicals publishers.

The Postal Service has accommodated the needs of mailers of Periodicals and other mailers by planning to accept bulk mail on weekends and starting the clock for destination-entered mail on the day it is drop-shipped. This includes Saturday and Sunday. I am informed that such destinating mail will continue to be processed and delivered as it is currently. I am further informed that the Postal Service will offer an optional local turnaround makeup to assure a start-the-clock of Saturday for mail that originates and destinatees in the service area of a Sectional Center Facility.

c) The Postal Service is working with shippers of medicines to ensure that medicines will be timely delivered Monday through Friday to street addresses. See witness Whiteman’s response to APWU/USPS-T9-7.

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d) The Postal Service is taking a number of steps to ensure the timely delivery of bills and statements sent by remittance processors, including financial institutions. The Postal Service will continue to operate Detached Mail Units to accept mail at mailers' facilities up to seven days a week. The current start-the-clock rules for such mail are governed by a Customer/Supplier Agreement. I am informed that these agreements will remain in place if five-day delivery is implemented.

Almost all of the bills and statements that have delivery time constraints mentioned in this interrogatory are mailed as presorted First-Class Mail. I am informed that this bulk mail will continue to be accepted on Saturday and Sunday. The start-the-clock event for this mail would be Monday. Many remittance mailers have indicated that these steps will satisfy their need to ensure timely delivery of their bills and statements.

The Postal Service is confident that it will have adequate capacity to timely process and deliver future volume of mail scheduled to be delivered on Friday. Under the direction of witness Neri, the Postal Service is conducting analyses of Processing & Distribution Center capacity to determine whether it may be necessary to move processing equipment to some P&DCs and anticipates that there will be very few such PD&Cs.

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- e) Yes. The 5-Day Team is satisfied that, on a national level, there will be sufficient mail processing capacity and time to process mail to meet scheduled Friday delivery dates. Local operating plans will be reviewed and adjusted, if necessary to ensure that mail scheduled for delivery on Friday is timely delivered. I am informed that if adjustments are needed, they would be executed on a site-by-site basis, using a variety of strategies, including bringing employees in earlier, using overtime, pivoting routes and delivering parcels separately. I am further informed that if the review of local operating plans leads to a determination that a Processing & Distribution Center needs additional mail processing equipment, we will move excess equipment to that site.