

**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 FOR RECONSIDERATION
OF PRESIDING OFFICER'S RULING N2010-1/4**

July 7, 2010

On May 14, 2010, the presiding officer denied my motion to compel the Postal Service to respond to interrogatory DFC/USPS-T4-14.¹ I move for reconsideration based on my recent discovery that responsive records exist.

Background

On April 1, 2010, I filed interrogatory DFC/USPS-T4-7, which requested information on existing Saturday consolidation plans for processing outgoing mail.² 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.³

¹ POR N2010-1/4, filed May 14, 2010.

² 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.

³ Revised Response of United States Postal Service Witness Neri to Douglas Carlson Interrogatory DFC/USPS-T4-7 [Errata], filed April 29, 2010.

On April 20, 2010, I filed interrogatory DFC/USPS-T4-14.⁴ This interrogatory 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:

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.⁵

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.

On May 10, 2010, I filed a motion to compel the Postal Service to respond to DFC/USPS-T4-14.⁶ In my motion, I argued that 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 savings from Saturday consolidations.”⁷ I observed that 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.⁸ The estimate of \$3.3 billion in projected savings 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

⁴ 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.

⁵ Response to DFC/USPS-T4-14, filed May 4, 2010.

⁶ Douglas F. Carlson Motion to Compel the United States Postal Service to Respond to DFC/USPS-T4-14 (“Motion”), filed May 10, 2010.

⁷ Motion at 3–4.

⁸ Motion at 2; Response to DFC/USPS-T2-3, filed April 15, 2010.

Saturdays would decline because carriers would not be collecting outgoing mail from homes and businesses on their routes. To support this alternative, participants need to estimate an order of magnitude of the cost savings from additional plant consolidations in a hybrid environment in which the agency ceased carrier delivery of mail on Saturdays but continued to collect and process outgoing mail on Saturdays.

The Postal Service opposed my motion to compel a response.⁹ Presiding Officer's Ruling N2010-1/4 summarized the Postal Service's position succinctly [citations are omitted]:

The Postal Service affirms that the information Carlson seeks in DFC/USPS-T4-14 does not exist. The Postal Service explains that consolidation of Saturday processing is decided and implemented at a local level based on the district and plant managers' local expertise. Such consolidation decisions are not required to follow a standardized review process, as is used for many other consolidations. Any cost savings analysis developed by local managers might be difficult to access, and might not be comparable to analysis developed by managers in another area.

The presiding officer observed that the information I requested "could be material evidence as to the impact of the Postal Service's plans or less invasive alternatives."¹⁰ However, the presiding officer observed that "[p]arties generally are not expected to expend resources creating records or information that do not currently exist."¹¹ The presiding officer denied my motion, concluding that "the Postal Service clearly states that the information Carlson seeks does not exist."¹²

Reconsideration

The presiding officer's ruling appears to be based on the Postal Service's representation that no responsive records exist. Under the ruling, the Postal Service would not need to estimate cost savings or otherwise create records, but

⁹ Opposition of the United States Postal Service to Carlson Motion to Compel Response to DFC/USPS-T4-14 ("Opposition"), filed May 17, 2010.

¹⁰ POR N2010-1/4 at 2.

¹¹ *Id.*

¹² *Id.* at 3.

the Postal Service would be required to provide responsive records that already exist.

On May 20, 2010, I submitted a Freedom of Information Act (FOIA) request to the Postal Service for records providing estimated cost savings from the consolidation of Saturday mail processing operations from the San Jose P&DC to the Oakland P&DC. On June 24, 2010, I received responsive records indicating an estimated annual cost savings of \$136,302. The relevant records appear in Exhibit 1. One FOIA request produced one cost savings estimate. Records that the Postal Service advised the presiding officer did not exist do, in fact, exist.

I move for reconsideration of POR N2010-1/4. I request a ruling that requires the Postal Service to provide responsive records that already exist. The Postal Service does not need to create records, estimate cost savings, or otherwise comment on the records. To the extent that local officials used different methodologies to estimate cost savings, these variances may affect the weight that the Commission should afford to the evidence, not its relevance. However, since I am seeking to determine only an order of magnitude for the savings associated with plant consolidations, any variances will be inconsequential. This information will allow participants to offer an alternative to the drastic service reduction that the Postal Service proposes in this docket.

Respectfully submitted,

Dated: July 7, 2010

DOUGLAS F. CARLSON

EXHIBIT 1

SENIOR PLANT MANAGER
OAKLAND P&D CENTER



June 18, 2010

Douglas F. Carlson
PO Box 191711
San Francisco CA 94119-1711

RE: FOIA 2010-FPRO-00652 Request

Dear Mr. Carlson:

We have completed processing your May 20, 2010 Freedom of Information Act (FOIA) request 2010-FPRO-00652 for records regarding information related to the Saturday AMP of Originating Mail Processing operations for San Jose, CA. Specifically, you asked for "all records that describe, analyze, discuss, or otherwise relate to actual or estimated net cost savings or net additional expenses" resulting from sending outgoing First-Class Mail from San Jose to Oakland on Saturdays, or from "the former practice" of sending outgoing First-Class Mail from Oakland to San Jose on Saturdays.

Enclosed are copies of all responsive records (7 pages). Five pages are released in full and two pages have been redacted under FOIA Exemption 5 (5 U.S.C. 552(b)(5)). Exemption 5 protects internal or interagency information. The types of information withheld pursuant to this Exemption pertains to withholding of predecisional, deliberative (nonfactual) information such as drafts, internal proposals, estimates, statements of opinion, analysis, advice, and recommendations of agency employees to be used in the decision-making process of an agency.

The search included all hardcopy files, emails, computer local and shared drives and external disk storage media at the Pacific Area and Oakland P&DC facilities. A total of 3.0 (three) hours were used to process this request; however, your request to waive fees is granted.

You may appeal this partial denial by writing to the General Counsel, U.S. Postal Service, Washington, DC 20260-1100, within 30 days of the date of this letter. The letter of appeal should include statements concerning this denial, the reasons why it is believed to be erroneous, and the relief sought, along with copies of the original request, this letter of denial, and any other related correspondence.

Sincerely,

A handwritten signature in cursive script, appearing to read "Richard J. Blancas".

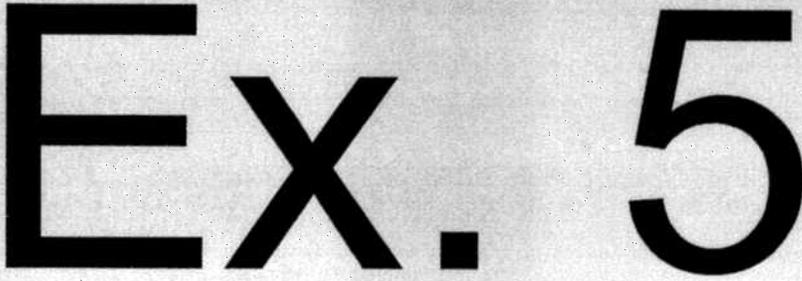
Richard J. Blancas
Senior Plant Manager
Oakland P&DC

Attachments

1675 7TH ST. RM. 236
OAKLAND CA 94615-9997
(510) 874-8282
FAX: (510) 874-8544

From: Davis, Matt - Washington, DC
Sent: Wednesday, February 25, 2009 6:56 AM
To: Smith, Margaret L - San Diego, CA
Subject: FW: Saturday AMP status update for next MIPS meeting

Hi Maraget



Thanks

Matt

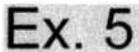
From: Mummy, Steve M - San Diego, CA
Sent: Thursday, February 19, 2009 10:16 AM
To: Davis, Matt - Washington, DC
Cc: Field, Robert W - Washington, DC; Belair, Larry J - San Diego, CA
Subject: RE: Saturday AMP status update for next MIPS meeting

Matt

Chg as follows

Add

Sat - San Jose PDC into Oakland PDC - Started Feb 7 2009

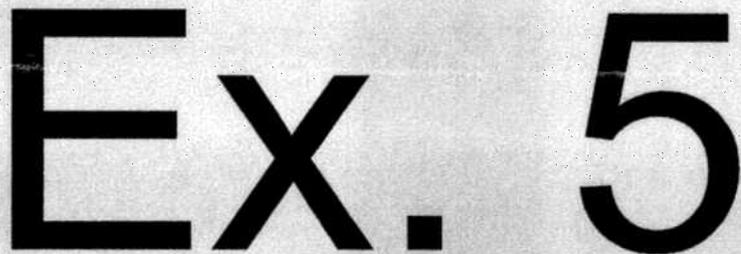


Steven Michael Mummy
Senior Operations Support Specialist
Pacific Area In-Plant Support
Office: 858-674-0131
FAX: 858-674-1151
Cell: 858-472-8147
e-mail: mummy@usps.gov

"One by one we are all becoming shades. Better pass boldly into that other world, in the full glory of some passion, than fade and wither dismally with age"

From: Davis, Matt - Washington, DC
Sent: Wednesday, February 18, 2009 9:10 AM
To: Mummy, Steve M - San Diego, CA
Cc: Field, Robert W - Washington, DC
Subject: Saturday AMP status update for next MIPS meeting
Importance: High

Are there any changes to the snapshot below which was used at the last MOS meeting 1/22/09. If so please submit to be by Friday 2/20/09.



Ex. 5

Matt Davis

*Network Alignment Implementation USPS-HQ
Operations Specialist
202-268-8847 - Office
202-255-1190 - Blackberry
Fax - 202-268-5423*

From: Smith, Margaret L - San Diego, CA
Sent: Wednesday, February 25, 2009 12:02 PM
To: Davis, Matt - Washington, DC
Cc: Ray, James E - So San Francisco, CA
Subject: San Jose to Oakland Saturday AMP

Hi Matt

I have confirmed this AMP started 2/7/09. James is working on the savings analysis associated with this Saturday AMP and we hope to have this to you by Friday, 2/27/09.

Margaret Smith
Operations Support Specialist
Pacific Area In Plant Support
PH: 858-674-3144
Fax: 858-674-3131

From: Ray, James E - So San Francisco, CA
Sent: Thursday, February 26, 2009 3:30 PM
To: Smith, Margaret L - San Diego, CA
Cc: Blancas, Richard J - Oakland, CA; Magno, Minda C - Oakland, CA
Subject: RE: San Jose to Oakland Saturday AMP

Attachments: BV-AMP-CostSav-Est.xls

Margaret

Attached is the savings projection for the AMP. Give me a call if you have any questions.

James Ray
Manager, In-Plant Support
Master's PWD
858-674-3131



BV-AMP-CostSav-Est.xls (25 KB)...

-----Original Message-----

From: Smith, Margaret L - San Diego, CA
Sent: Wednesday, February 25, 2009 12:02 PM
To: Davis, Matt - Washington, DC
Cc: Ray, James E - So San Francisco, CA
Subject: San Jose to Oakland Saturday AMP

Hi Matt,

I have confirmed this AMP started 2/7/09. James is working on the savings analysis associated with this Saturday AMP and we hope to have this to you in Friday, 2/27/09.

Margaret Smith
Operations Support Specialist
Pacific Area In-Plant Support
PHE: 858-674-3144
Fax: 858-674-3131

Bay Valley Saturday AMP
Cost Savings Estimate

	Oakland		San Jose	
Week	Date	F1 Hours	F1 Hours	
15	1/3/2009	1046	247	
16	1/10/2009	898	302	
17	1/17/2009	860	276	
18	1/24/2009	876	257	
19	1/31/2009	948	287	
	Avg Hrs	925.6	274	
Begin AMP -->	20	2/7/2009	1019	144
	21	2/14/2009	889	138
	22	2/21/2009	863	175
	Avg Hrs	924	152	

Estimated San Jose F1 Hour Savings	122
Annualized Hours	6,078
Capture Rate	70%
Hours @ 70%	4,255
Est. FTE Savings	2
Dollar Rate	\$41.00
Dollar Savings	\$3,489
Annualized	\$174,448

Added 3A Cost	
Additional Trips	3
Round Trip Mileage	100
3A Dollar Rate	\$39.30
Cost per Mile	\$0.88
Total Trip Time	7.5
Equipment Cost	\$254.00
Driver Cost	\$206
Total Transportation Cost	\$470
Annualized	-\$23,516
Cost @ 70%	-\$15,461

Annualized Savings	\$157,987
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From: Smith, Margaret L - San Diego, CA
Sent: Monday, March 02, 2009 5:10 PM
To: Davis, Matt - Washington, DC
Cc: Field, Robert W - Washington, DC
Subject: FW: Saturday AMP status update for next MIPS meeting
Importance: High
Attachments: image001.gif; BV-AMP-CostSav-Est.xls

Matt,

There were some adjustments to the annual savings.

Margaret Smith
Operations Support Specialist
Pacific Area In Plant Support
PH: 858-674-3144
Fax: 858-674-3131

From: Ray, James E - So San Francisco, CA
Sent: Monday, March 02, 2009 4:38 PM
To: Blancas, Richard J - Oakland, CA
Cc: Smith, Margaret L - San Diego, CA; Mummy, Steve M - San Diego, CA; Belair, Larry J - San Diego, CA; Dagdagan, Cathrina C - Oakland, CA; Grewal, Balwant K - San Jose, CA
Subject: RE: Saturday AMP status update for next MIPS meeting

Rick

Adjustments were made to the account for the Priority volumes. Also adjusted the capture rate down to 60% of the annualized savings. The adjusted savings is projected to be \$136,302 per year.

James

-----Original Message-----

From: Blancas, Richard J - Oakland, CA
Sent: Saturday, February 28, 2009 8:47 PM
To: Belair, Larry J - San Diego, CA
Cc: Ray, James E - So San Francisco, CA
Subject: RE: Saturday AMP status update for next MIPS meeting

Larry

James has the final dollar impact almost ready. I made a minor change on Friday. He is recalcing the numbers and should have it ready on Monday.

Rick

Bay Valley Saturday AMP
Cost Savings Estimate

	Oakland		San Jose	
Week	Date	F1 Hours	F1 Hours	
15	1/3/2009	1046	247	
16	1/10/2009	898	302	
17	1/17/2009	860	276	
18	1/24/2009	876	257	
19	1/31/2009	948	287	
	Avg Hrs	925.6	274	
Begin AMP -->	20	2/7/2009	1019	144
	21	2/14/2009	889	138
	22	2/21/2009	863	175
	Avg Hrs	924	152	

Estimated San Jose F1 Hour Savings	122
Annualized Hours	6,078
Capture Rate	60%
Hours @ 60%	3,647
Est. FTE Savings	2
Dollar Rate	\$41.00
Dollar Savings	\$2,991
Annualized	\$149,527

Added 3A Cost	
Additional Trips	3
Round Trip Mileage	100
3A Dollar Rate	\$39.30
Cost per Mile	\$0.88
Total Trip Time	7.5
Equipment Cost	\$264.00
Driver Cost	\$177
Total Transportation Cost	\$441
Annualized	-\$22,043
Cost @ 60%	-\$13,226

Annualized Savings	\$136,302
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