

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 RESPONSES OF
UNITED STATES POSTAL SERVICE WITNESS PULCRANO
TO AMERICAN POSTAL WORKERS UNION INTERROGATORIES
APWU/USPS-T1-12 AND APWU/USPS-T1-13
[ERRATA]

The United States Postal Service hereby provides the revised response of witness Samuel Pulcrano to American Postal Workers Union interrogatories APWU/USPS-T1-12 and APWU/USPS-13. The revised responses supersede the responses filed yesterday, July 29, 2010. Each interrogatory is stated verbatim and followed by the revised response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS PULCRANO
TO AMERICAN POSTAL WORKERS UNION INTERROGATORY
Revised: July 30, 2010**

APWU/USPS-T1-12 In response to APWU/USPS-T1-6(d) you state that analysis is being conducted of “Processing & Distribution Center capacity to determine whether it may be necessary to move processing equipment to some P&DCs and anticipates there will be very few such PD&Cs (sic).”

- a) Describe what is involved in this analysis and provide any documents related to this analysis.
- b.) Identify the basis for stating that there will be “very few such P&DCs.”

RESPONSE

- a) This capacity analysis consists of modeling potential customer mailing profile variations to existing mail processing equipment capacity. The modeling is not yet complete. The slides contained in the PowerPoint file titled Modeling_Scenarios.ppt, which is being filed with these responses, describes the eleven scenarios that are currently being analyzed. Results will be shared with the PRC upon completion of the analysis, which is anticipated to occur in mid to late October, 2010. The capacity analysis is modeling the number of sites that may not have sufficient equipment to timely process mail volume. The equipment being analyzed is for letter mail and includes AFCS and DBCS. The analysis will identify the number of machines by type that potentially will be needed above the current inventory that would have to be added to model timely delivery of the mail. Additional inputs to the analysis are being considered. The modeling will take into account several scenarios on how outgoing and incoming mail volumes will change as a result of five-day delivery. These scenarios are continuing to be formulated. We do not currently have any

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RESPONSE to APWU/USPS-T12 (continued)

scenarios planned for flats for which we have more than enough equipment capacity.

- b) We anticipate a few P&DC's will require equipment moves. Where modeling suggests the potential for insufficient processing capacity, the capacity analysis is identifying operational window expansion or earlier daily machine scheduling opportunities in lieu of increasing equipment.

Five-Day Capacity Modeling Scenarios

5-Day Capacity Modeling Scenarios

- Scenario 1 – Monday Outgoing
- Scenario 2 – Tuesday Morning DPS
- Scenario 3 – Monday Morning DPS
- Scenario 4 – Friday Outgoing
- Scenario 5 – Saturday Morning DPS
- Scenario 6 – Monday Holiday, Tuesday OG
- Scenario 7 – Monday Holiday, Tuesday DPS
- Scenario 8 – Full Week (in RPG)
- Scenario 9 – Monday Holiday, Wednesday DPS
- Scenario 10 – AFCS 200 Monday Outgoing
- Scenario 11 – Friday Holiday, Weekend DPS

Scenarios Defined

- **Scenario 1 – Monday Outgoing**
 - Model originating FCM letters/flats on Monday
 - Move all Saturday's originating mail to Monday
 - Examine 2 variants on impact
 - Model cancellations using % by 2000 as an input requirement
 - Model cancellations using cancellation profile from the Tuesday following a Monday holiday (Columbus Day 2009)
- **Scenario 2 – Tuesday morning DPS**
 - Model DPS letter processing Tuesday AM
 - Includes Monday's OG impacts
 - No volume adjustments

Scenarios Defined

- Scenario 3 – Monday morning DPS
 - Model DPS operations on Sunday evening/Monday morning
 - Assumes first pass of “Saturday’s mail” on Friday night
 - Determine first pass volume required on Saturday night to provide sufficient window for second pass on Sunday night.
 - Use recent volumes and sort programs.

Scenarios Defined

- Scenario 4 – Friday Outgoing
 - Model originating FCM letters/flats on Friday
 - Determine impacts if some of Saturday volume (letters/flats) is processed on Friday
 - Explore 3 variants on impacts:
 - 25% of Saturday's volume moves to Friday with no change to current cancellation profiles.
 - 25% of Saturday's volume moves to Friday with a % by 2000 input requirement
 - 50% of Saturday's volume moves to Friday with a % by 2000 input requirement

Scenarios Defined

- Scenario 5 – Saturday morning DPS
 - Model DPS processing on Saturday morning
 - All normal first passes
 - No normal second pass DPS
 - Flow PO Box mail to “Super Box” DPS programs
 - Assumes no movement of mail from Saturday morning
- Scenario 6 – Monday Holiday; Tuesday OG
 - Model originating FCM letters/flats on Tuesday after Monday holiday
 - Assumes no Sunday or Monday processing
 - Move all Saturday’s originating mail to Tuesday
 - Model cancellations using % by 2000 as an input requirement
 - Model using peak volume from a recent Monday holiday

Scenarios Defined

- Scenario 7 – Monday Holiday; Tuesday morning DPS
 - Model DPS operations on Monday evening/Tuesday morning following a Monday holiday
 - Assumes first pass of “Saturday’s mail” on Friday night
 - Determine first pass volume required over the weekend to provide sufficient window for second pass on Monday night.
 - Use recent sort programs.
 - Use peak holiday week volume from recent Monday holiday week

Scenarios Defined

- Scenario 8 – Normal Week in 5-Day
 - Model all letter/flat operations for a 5-day delivery week
 - Will use results of other models to plan for weekend processing
 - Will include all operations (MMP, SCF, STD, etc)
 - Will include running RPG to determine output

Scenarios Defined

- Scenario 9 – Monday holiday, Wednesday morning DPS
 - Model DPS letter processing Wednesday AM following a Monday holiday
 - Includes Tuesday's OG impacts
 - No volume adjustments
- Scenario 10 – Monday Outgoing w/AFCS 200
 - Model originating FCM letters/flats on Monday
 - Move all Saturday's originating mail to Monday
 - Include AFCS 200 deployment
 - Run mail on AFCS 200 prior to legacy machines
 - Model throughput improvements
 - Model cancellations using % by 2000 as an input requirement

Scenarios Defined

- Scenario 11 – Friday holiday, weekend DPS processing
 - Model DPS operations over the weekend following a Friday holiday
 - Model Friday & Saturday DPS Friday night into Saturday morning
 - All normal first passes
 - No normal second pass DPS
 - Flow PO Box mail to “Super Box” DPS programs
 - Model Sunday night DPS
 - Determine first pass volume required on Saturday night to provide sufficient window for second pass on Sunday night.
 - Use most recent Friday holiday to determine volumes relative to normal week.

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APWU/USPS-T1-13 In response to APWU/USPS-T1-6(e) you state that “on a national level, there will be sufficient mail processing capacity and time to process mail to meet scheduled Friday delivery dates.”

- (a) Does this mean that on a “local level” mail processing capacity and time in some places may be limited and therefore, scheduled Friday delivery dates will be unmet?
- (b) You mention that local operating plans will be reviewed and adjusted if necessary to ensure timely delivery.
 - i. Has the review of local operating plans begun?
 - ii. Describe what is involved in this review and provide any related documents.
 - iii. Are certain locations more likely to require adjustments to operating plans? Please identify these locations, generally.
 - iv. Are changes to CETs among the elements of operating plans to be reviewed and adjusted if necessary?

RESPONSE

- (a) No. It means that the capacity analysis modeling being performed under the direction of witness Neri will identify any specific local equipment and operational adjustments that will need to be implemented to ensure the ability of local plants to manage the mail volumes and meet scheduled delivery dates.
- (b)
 - i. Yes, the capacity analysis modeling being performed under the direction of witness Neri is determining where operating plans may need to be adjusted.
 - ii. Based upon the needs identified during the capacity analysis, local operating plan reviews will be evaluated in more detail to determine

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RESPONSE to APWU/USPS-T1-13 (continued)

appropriate operational level flow changes. This capacity analysis consists of modeling potential customer mailing profile variations to existing mail processing equipment capacity. As explained in response to APWU/USPS-T1-12, results will be shared with the PRC upon completion of the analysis.

- iii. Yes. There is a potential that operational CETs may be adjusted. These would be sites that can overcome capacity challenges by expanding operational windows or adjusting daily machine scheduling.

- iv. Yes, there is a possibility that operational CETs could be adjusted.