

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

SIX-DAY TO FIVE DAY STREET DELIVERY
AND RELATED SERVICE CHANGES, 2010

Docket No. N2010-1

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS NERI
TO DOUGLAS CARLSON INTERROGATORY
(DFC/USPS-T4-14)

The Postal Service hereby provides the response of witness Frank Neri to Douglas Carlson interrogatory DFC/USPS-T4-14, submitted on April 20, 2010, as limited and restated by the Presiding Officer in P.O. Ruling No. N2010-1/21. The Presiding Officer's restatement of the interrogatory appears verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Pricing and Product Support

Nabeel R. Cheema

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-7178; Fax -6187
August 11, 2010

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS NERI
TO INTERROGATORY OF DOUGLAS CARLSON**

Presiding Officer's Restatement of DFC/USPS-T4-14

In response to DFC/USPS-T4-14, the Postal Service shall attempt to locate, and then provide cost savings estimates for Saturday mail processing consolidations that have been implemented within the 12 months prior to Carlson propounding DFC/USPS-T4-14.

RESPONSE

In accordance with Presiding Officer's Ruling No. N2010-1/21, the Postal Service has attempted to locate records of cost savings estimates for Saturday mail processing consolidations that were implemented from April 20, 2009 to April 20, 2010. This search has produced responsive records for two Saturday consolidations: (1) the Saturday consolidation of the Chattanooga TN P&DC's mail to the Nashville TN P&DC; and (2) the Saturday consolidation of the La Crosse WI P&DC's mail to the Rochester MN P&DF.

The Chattanooga/Nashville record is provided at Appendix A. The record is an informal cost savings estimate that was performed by Tennessee District personnel in July 2008, when the Chattanooga/Nashville Saturday consolidation was being contemplated. The Chattanooga/Nashville Saturday consolidation was implemented in September 2009. The La Crosse/Rochester record is provided at Appendix B. It is a plan prepared in August 2009 by Northland District personnel to advocate for the approval of the La Crosse/Rochester consolidation, and it includes informal cost savings estimates. The LaCrosse/Rochester Saturday consolidation was implemented in September 2009.

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Given that the cost savings estimates included in the two records were performed prior to the implementation of the two consolidations and given that the two independently generated estimates were not the product of a standardized analytical approach or subject to internal review for consistency, the Postal Service cannot vouch for their reliability. The Postal Service notes that, due to an oversight, the La Crosse/Rochester Saturday consolidation was omitted from the list of Saturday consolidations provided in response to DFC/USPS-T4-7.

APPENDIX A

CHATTANOOGA SATURDAY AMP SUMMARY

FUNCTION	DAILY SAVINGS/(COSTS)
1	\$4,958.56
4	(\$149.48)
HCR	\$148.73
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TOTAL	\$4,957.81
Saturdays	52
ANNUAL SAVINGS	\$257,806.12

Chattanooga Saturday AMP TANS Summary

HCR	TRIP	CURRENT	PROPOSED	DESCRIPTION
Winchester			\$ 230.61	Divert from Manchester directly to Nashville
Nashville Extra			\$ 273.24	Additional "Early" Trip to Nashville
373AH	3001/3002	\$ 312.00		Roundtrip Atlanta STC
37310		\$ 340.58		From Fed EX / To SE STC
TOTAL		\$ 652.58	\$ 503.85	
HCR COST			\$ (148.73)	

MANCHESTER CONSOLIDATION

	WORK HOURS	RATE	COST
FN 4 COST	4	\$ 37.37	\$ 149.48

*2 Clerks at 2 hours each

Chattanooga Saturday AMP Function 1 SUMMARY

CHATTANOOGA P&DC				NASHVILLE P&DC	NET
OPERATION	DESCRIPTION	POSITIONS	SAVINGS	ADDITIONAL WORK HOURS	SAVINGS
DOCK	SEPARATION	1	8	0	8
010	PTR	4	24	0	24
010	FTR	2	16	8	8
AUTOMATION	271/281	3	24	0	24
FLATS	AFSM/UFSM	2	16	0	16
MANUAL	030 / 040	1	8	0	8
PRIORITY	Outgoing	5	40	0	40
EXPRESS	Outgoing	1	8	0	8
TOTAL		19	144	8	136
WORK HOUR RATE					\$36.46
ESTIMATED SAVINGS					\$4,958.56

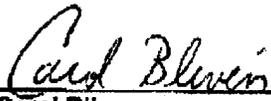
APPENDIX B



Rolex LLT Business Plan AMP Saturday 546 Collection Mail to Rochester P&DF August 2009

The Rolex LLT formally submits this Business Plan to AMP 546 Saturday collection mail for processing to the Rochester P&DF. This move will reduce costs and increase tray density of outgoing letter mail for the Northland Performance Cluster. This Business Plan is submitted to the District Manager and Senior Plant Manager for review and approval.

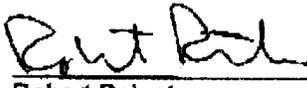
Proposed AMP Migration Date - Projected implementation date of September 12, 2009.



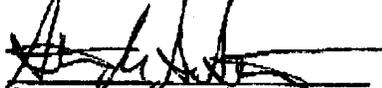
Carol Bliven
Postmaster, Rochester
Rolex LLT Co-Chair



Dave Krage
Manager, Mail Processing
Rochester



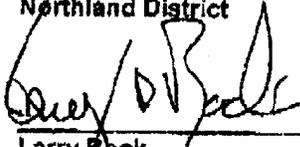
Robert Reinstra
Postmaster, LaCrosse
Rolex LLT Co-Chair



Steve Sundstrom
Manager, Mail Processing
La Crosse

Anthony Williams
District Manager
Northland District

Erica Brix
Senior Plant Manager
Northland District



Larry Bock
Senior Manager, Post Office Operations
Area B
Northland District

Carson Nunes
Finance Manager
Northland District
Signature by Finance Manager confirms hours have been transferred as per the Business Plan

PROJECT SCOPE

The Rolex LLT Mail Processing Managers reviewed the density of the letter mail processed on Saturdays at both Plants and determined it would be cost effective to AMP collection mail from La Crosse Post Office Mail Processing to the Rochester P&DF, without impacting La Crosse's overnight service to themselves, Rochester 559 or Eau Claire 547.

FINANCIAL IMPACT SUMMARY

<i>Item</i>	<i>Associated (Cost)/Savings</i>
F1 Savings	\$56,757
F3B Savings	\$13,070
F3A Cost	0
Total Savings	\$69,827

Sam Bilsing
Budget Manager, Northland District

Signature by Budget Manager confirms hourly rates and financial impacts have been reviewed

FUNCTION 1	Pieces/Work Hours	Hourly Rate	(Cost)/Savings
Function 1 AFCS Work Hours (Saturday)	468	\$40.29	\$18,856
Function 1 DPS Work Hours (Saturday)	1612	\$40.29	\$64,947
Total Function 1 Impact	2080		\$83,803

FUNCTION 1			
Projected Daily Volume - 271	25,431		
Projected Daily Volume - 281	8,319		\$0
Plant work hours LDC 14	0	\$34.67	\$0
Plant work hours LDC 17	(780)	34.674	(\$27,046)
Proposed Rochester Work Hours	0		\$0
Total Function 1 Impact	(780)		\$56,757

FUNCTION 3B			
PM Work Hours (No Change)	0	\$50.27	\$0
Station PC Work Hours	260	\$50.27	\$13,070
Total Function 3 Impact	260		\$13,070

FUNCTION 3A

MVS Work Hours Remain the Same		\$45.00	\$0
MVS Mileage Remains the Same		N/A	
Total Function 3 Impact	0		\$0

Total Savings			\$69827
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ANNUALIZED FINANCIAL IMPACT DETAILS

STAFFING IMPACTS

Currently La Crosse PO staffs 8 employees on Tour 3, 5 regular clerks and 3 PTF's on Saturday to process collection mail. The proposed AMP of this mail to the Rochester P&DF will reduce staffing to 3 PTF's for a period of 5 hours each to work the dock and perform the proper breakdown of NDC mail. Priority for the Hub and overnight 546 service area mail. The 5 regular clerks would become unassigned and their positions would be reposted with Saturday and Sunday off. The unions will be notified by Friday, 8/28/2009. The 5 clerks will be notified by 09/03/2009, and bids posted 09/09/2009 and close on 09/18/2009. Successful bidders will be placed in bids by Saturday, 09/25/2009.

Both of the Tour 3 ET's would become unassigned and have their NS days changed to Saturday/Sunday. Bidding would be processed on the same line in accordance with the APWU agreement

PROCESSING PLAN

Saturday La Crosse collection mail will be processed at the Rochester PD&F. As the collection mail arrives at the La Crosse Post Office, minimum mail preparation will be required to meet transportation. All other mail will be dispatched to Rochester P&DF according to the listed transportation plan.

TRANSPORTATION PLAN

Mail will be dispatched to Rochester P&DF at 1715, 1815 and 1945 hours on HCR 546OU trips, 801, 1 and 803 respectively. Rochester PD&F will return La Crosse 546 and Eau Claire 547 mail on HCR 546OU trips 802 at 0100 and 804 at 0315 Sunday morning. The Eau Claire 547 mail will be dispatched to Eau Claire PD&F on Sunday at 2230 on HCR 54612 Trip 1. The Rochester current 2200 DOV to St Paul will change to 2300 on Saturday only. No other change in current transportation is needed.

Rochester PD&F will dispatch the originating on HCR 546OU, Trip 6, leaving Rochester at 0100, stops at the AMC at 0230 and arrives at St Paul PD&F at 0255 hours.

MAINTENANCE PLAN

La Crosse would have no need for the ET Position on Saturday. The ET would become unassigned with the NS days being changed to Saturday/Sunday. This would give Tour 3 two ET's Monday - Friday. Currently only one ET is scheduled on Monday and Friday.

WORK HOUR TRANSFER

No work hour transfer to the Rochester PD&F would be needed. Rochester PD&F will be able to process this mail using their current staffing and approved work hours.

POST IMPLEMENTATION MONITORING

The La Crosse Manager, Mail Processing and the Rochester Manager, Mail Processing will monitor Their respective operations to ensure compliance.