

**BEFORE THE
POSTAL REGULATORY COMMISSION**

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

Docket No. N2010-1

**RESPONSES OF NATIONAL ASSOCIATION OF LETTER CARRIERS, AFL-CIO
WITNESS DR. MICHAEL J. RILEY TO INTERROGATORIES AND DOCUMENT
REQUESTS OF THE UNITED STATES POSTAL SERVICE (USPS/NALC-T5-1
Through T5-7)**

The National Association of Letter Carriers, AFL-CIO hereby files the responses of witness Dr. Michael J. Riley, NALC-T5, to the following interrogatories and document requests of the United States Postal Service, USPS/NALC-T5-1 through T5-7, filed on August 10, 2010.

Each interrogatory/document request is stated verbatim and followed by the response.

Respectfully submitted,

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USPS/NALC-T5-1

Please refer to your testimony at page 6, lines 8-10.

- (a) **Please explain your understanding of the options for package redelivery/pick-up that are available to residential customers of FedEx and UPS "who work during the week and who are not home to accept packages".**
- (b) **Please explain your understanding of the differences between the options referenced in response to subpart (a) with the options available to residential customers of the Postal Service "who work during the week and who are not home to accept packages".**
- (c) **Explain your understanding of whether, in conjunction with the service changes under review in this docket, the Postal Service has indicated on the record in this proceeding that it will monitor local retail traffic and consider making adjustments to retail hours to accommodate residential customer package pick-up in the 5-day delivery environment**

RESPONSE:

- (a) While I am not an expert in FedEx or UPS procedures, I believe that the options would include having the package left at the door, leaving with a doorman or office in an apartment building, going to a FedEx or UPS location in response to a note left on the door if a signature is required, or having the package sent to a work location.
- (b) Postal Service options include leaving the package in a locked parcel locker in a CBU or stand alone parcel locker, leaving the package with a neighbor with prior arrangement with a carrier, leaving the package at the door, going to a Post Office to pick up a package in response to a note left in the mailbox if signature is required, leaving the package with a doorman or office in an apartment building or having the package sent to a work location.
- (c) I am not aware of what USPS has indicated on the record in this regard. In any event, even if USPS has indicated on the record that it will "consider" making adjustments to

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retail hours to accommodate residential customer package pick-up, it is not clear to me whether and to what extent USPS actually will make any such adjustments.

USPS/NALC-T5-2

Please refer to your testimony at page 6, lines 12-15.

- (a) **Is it your view that customers who do not see and speak to their letter carriers on Saturdays are unable to judge the quality of that carrier's delivery service and the degree to which it reflects positively on the agency's overall image?**
- (b) **Do you agree that customers who do not see and speak to their letter carriers on Saturdays, nevertheless, still have the opportunity to obtain a positive image of the Postal Service based upon the quality of service provided by postal clerks at retail windows.**

RESPONSE:

- (a) No, that is not my view. My view is that customers who do not see or speak to their letter carriers are less likely to appreciate the service provided by the letter carrier and by USPS, and that by eliminating Saturday delivery USPS is losing a valuable opportunity to promote its brand and maintain its connection to its customers.
- (b) Yes, that is possible if the customer visits the post office and has a positive experience there. However, in my experience, customers typically have a much more favorable view of their letter carrier than they do of their experiences visiting a post office.

USPS/NALC-T5-3

Please refer to the first paragraph of Section V of your testimony at page 7.

- (a) Please confirm that your testimony should not be read as implying that, before your tenure as USPS CFO, the Postal Service had never "adopted a business strategy that put an emphasis on the individual customer."**
- (b) Please confirm that your testimony should not be read as implying that, until your tenure as USPS CFO, the Postal Service did not recognize that "things like convenience, courtesy, safety, security of mail and consistency of delivery" were "important to the individual customer."**
- (c) Was the USPS practice of accepting credit card payments the culmination of a project that began before or after the start of your tenure as CFO?**

RESPONSE:

- (a) My testimony does not refer to USPS's business strategy or practices prior to my tenure as USPS CFO and should not be read to make any implications about what that strategy may have been.
- (b) See response to (a) above.
- (c) There was a pilot project accepting credit cards prior to my tenure as CFO. It was during my tenure that the acceptance of credit cards became an established practice nationwide.

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USPS/NALC-T5-4

Please fully describe the "promise" referenced in the second paragraph of Section V of your testimony at page 7. Provide copies of documents memorializing that promise.

RESPONSE:

The promise refers to comments made by Postmaster General Henderson, made in my hearing both before and during his tenure as Postmaster General, to the effect that the Postal Service was earning too much money and should be closer to break-even.

I have no documents memorializing that promise.

USPS/NALC-T5-5

Please refer to your testimony at page 6, lines 16-17. Would postal management monitoring of local retail traffic and adjusting retail hours to accommodate residential customer package pick-up in the 5-day postal street delivery environment "send[] a signal to customers that their needs and preferences ... matter" and that the Postal Service was acting as a "service-oriented enterprise"? If you do not agree, please explain.

RESPONSE:

I agree that adjusting retail hours to accommodate residential customer package pick-up would help send a positive signal to customers, but I do not think it would come close to outweighing the negative signal sent to customers by eliminating Saturday delivery.

USPS/NALC-T5-6

Please refer to the second paragraph of Section V of your testimony at page 7.

- (a) Identify all factors that may have contributed to mail volume rising "nicely" during your tenure as USPS CFO.**
- (b) Is it your view that the "advent of the Internet" during your tenure as CFO had the same qualitative and quantitative effect on mail volumes then as the Internet has had on mail volumes during the past five years? Please explain.**
- (c) Is it your view that the "advent of the Internet" during your tenure as CFO had the same qualitative and quantitative effect on mail volumes then as it can be expected to have on mail volumes during the next five years? Please explain.**

RESPONSE:

- (a) I believe that the general state of the economy contributed to the increase in mail volume during my tenure but I also believe that our focus on the customer during those years contributed significantly.
- (b) I do not understand what the interrogatory means by a “qualitative” effect on mail volume. In any event, I do not know how much the internet has impacted mail volume during the last five years. Accordingly, any view I might have about how the internet’s impact in the last five years would compare to its impact during my tenure as USPS CFO would be speculation.
- (c) I do not understand what the interrogatory means by a “qualitative” effect on mail volume. In any event, I do not know how much the internet may impact mail volume during the next five years. Accordingly, any view I might have on how the internet’s impact in the next five years would compare to its impact during my tenure as USPS CFO would be speculation.

USPS/NALC-T5-7

Please refer to Section V of your testimony at page 7 and clarify whether it is your view that, since your tenure, postal management:

-- has focused *exclusively* on cost-cutting and paid *no* attention to its relationship with consumers; or

-- has focused *too much* on cost-cutting and paid *too little* attention to its relationship with consumers.

RESPONSE:

It is my view that since my tenure as USPS CFO, postal management has focused too much on cutting services as a means to save money and paid too little attention to its relationship with consumers.