

**BEFORE THE
POSTAL REGULATORY COMMISSION**

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

Docket No. N2010-1

**MOTION OF INTERVENOR NATIONAL ASSOCIATION OF LETTER CARRIERS,
AFL-CIO TO HAVE TESTIMONY ACCEPTED INTO RECORD**

Intervenor National Association of Letter Carriers, AFL-CIO (“NALC”) hereby moves to have the testimony of two of its witnesses, William H. Young (NALC-T2) and Stephen DeMatteo (NALC-T3), accepted into the record without its having to produce them at the hearing scheduled for September 13. NALC makes this motion because no party served discovery requests on these two witnesses and because it appears likely that no party will seek to conduct oral cross-examination of them. Even if the Commission requires Mr. Young’s attendance, NALC requests that it excuse Mr. DeMatteo, because his testimony is particularly short and simple and because he has a scheduling conflict.

The two-page testimony of former NALC President William H. Young (NALC-T2) (copy attached hereto as Exhibit A) addresses just one apparently undisputed point: that in the last round of collective bargaining, NALC made a proposal to USPS regarding a separate Saturday carrier workforce and that the proposal, if accepted, would have produced substantial savings for USPS.

The testimony of NALC staff researcher Stephen DeMatteo (NALC-T3) (copy attached hereto as Exhibit B) is even shorter: Mr. DeMatteo explains how he used simple arithmetic to produce a chart included in one of NALC’s library references and how he relied on

publicly available data to produce another. Mr. DeMatteo is scheduled to attend a professional conference in Luxembourg on September 13-14.

USPS served interrogatories and document requests on NALC's other witnesses but served none on Mr. Young or Mr. DeMatteo. Nor did any other party and the August 18 deadline for doing so has now passed. Since there will be no written cross-examination of Mr. Young or Mr. DeMatteo, it appears unlikely that any party will seek to conduct oral cross-examination of them.

If any party responds to this motion by indicating an intent to orally cross-examine either of them, NALC will produce the witness for whom cross-examination is sought. (And, of course, NALC will produce either or both witnesses if the Commission indicates that it has questions of them.) However, in the event that no party indicates an intent to conduct oral cross-examination of Mr. Young and/or Mr. DeMatteo, NALC respectfully requests that their testimony be accepted into the record without their having to appear at the hearing.

August 24, 2010

Respectfully submitted,

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EXHIBIT A

**BEFORE THE
POSTAL REGULATORY COMMISSION**

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Docket No. N2010-1

**DIRECT TESTIMONY OF WILLIAM H. YOUNG ON BEHALF OF THE NATIONAL
ASSOCIATION OF LETTER CARRIERS, AFL-CIO**

My name is William H. Young. I submit this testimony on behalf of Intervenor National Association of Letter Carriers, AFL-CIO (“NALC”), which serves as the collective bargaining representative of a nationwide bargaining unit of city letter carriers employed by the United States Postal Service (“USPS”). I served as NALC’s President from 2002 to 2009.

In November 2006, during the last round of bargaining between NALC and USPS for a new collective bargaining agreement (“CBA”), NALC made an offer to USPS that included a package of proposed savings. In its offer, NALC proposed a separate workforce of letter carriers to delivery mail on Saturday, with all other letter carriers working only on weekdays.

Under NALC’s proposal, the Saturday letter carrier workforce would have been composed in part of letter carriers who had retired from delivering mail full-time but who wanted to continue to work for USPS one day per week. NALC believed that there was a substantial number of retirees who might be interested in such a Saturday-only position.

Under NALC’s proposal, to the extent Saturday positions remained available after retirees were hired, the Saturday workforce would have consisted of new hires hired from the USPS hiring register who agreed to take a position delivering mail one day per week until full-time positions with USPS became available.

Under NALC's proposal, the retirees in the Saturday workforce would have been paid at Step O pay under the CBA. However, USPS would have saved a substantial amount employing them since they were already retired; USPS would not have needed to make pension or retiree health contributions on their behalf. USPS would also have saved a substantial amount employing new hires who worked on Saturdays only. These new hires would have earned entry-level Step A pay under the CBA so long as they were part of the Saturday workforce. Moreover, under NALC's proposal, these new employees would not have been entitled to pension, health, annual leave and other benefits.

NALC estimated that its proposal would have saved USPS several hundred million dollars annually, assuming that the new Saturday workforce were composed half of retired letter carriers and half of new hires. During negotiations, NALC shared this savings estimate with USPS and USPS did not dispute it.

Although NALC's proposal would have substantially reduced the cost of Saturday deliveries, USPS did not accept it.

EXHIBIT B

**BEFORE THE
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Docket No. N2010-1

**DIRECT TESTIMONY OF STEPHEN DeMATTEO ON BEHALF OF THE NATIONAL
ASSOCIATION OF LETTER CARRIERS, AFL-CIO**

My name is Stephen DeMatteo. I submit this testimony on behalf of Intervenor National Association of Letter Carriers, AFL-CIO (“NALC”), which serves as the collective bargaining representative of a nationwide bargaining unit of city letter carriers employed by the United States Postal Service (“USPS”). I have been employed by NALC as a Research Analyst since June 2008. I have a Bachelor of Science degree from Georgetown University.

The purpose of my testimony is to sponsor two exhibits that I prepared and that are contained in the following Library References of the NALC:

1. NALC-LR-N2010-1/17: Average Overtime Hours, Normal Tuesdays and Tuesdays After A Monday Holiday, FY 2008, FY 2009
2. NALC-LR-N2010-1/18: USPS Operating Margins, 1975-1977 v. 2007-2009

The first Library Reference, NALC-LR-N2010-1/17, uses data from NALC/USPS-T3-5 and NALC/USPS-T3-6 regarding city letter carrier overtime hours in FY 2008 and FY 2009. To create the chart that appears in the Library Reference, showing the average overtime hours for each year for normal Tuesdays and for Tuesdays after a Monday holiday, I divided the total overtime hours supplied in NALC/USPS-T3-5 and NALC/USPS-T3-6 by the number of normal Tuesdays and the number Tuesdays after a Monday holiday for each

respective year.

The second Library Reference, NALC-LR-N2010-1/18, uses data from USPS's Annual Reports for the years indicated on the chart, and provides the operating margin for each year. For purposes of this second Library Reference, operating margin is defined as operating income/(loss) divided by revenue.