

DOCKET SECTION

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

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POSTAL RATE AND FEE CHANGES, 1997

Docket No. R97-1

NOTICE OF UNITED STATES POSTAL SERVICE OF FILING OF ERRATA TO
TESTIMONY OF JON M. STEELE (USPS-RT-8)
(March 10, 1998)

The United States Postal Service hereby files errata to the testimony of Jon M. Steele, USPS-RT-8, filed March 9, 1998. It has come to the Postal Service's attention that the first two lines of page 7, which apparently are contained on the testimony diskette furnished to the Commission, did not print out on the hard copy that was filed. Accordingly, the Postal Service is supplying revised pages 7 through 10, which now include the two missing lines on the top of page 7 and which contain the same subsequent text as before, but on different lines. Also, a revised Table of Contents, with a changed page reference, is being filed. Copies of the revised pages are attached.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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1 would certainly use them to distribute periodicals and avoid the discussion
2 the next day.

3 Every Monday afternoon, I have a telephone conference with my District
4 and plant managers to review the raw performance data from the previous
5 week. Each Accounting Period we meet physically and once a Quarter there
6 is a full scale Business Review. The common element in all of these reviews
7 is management of resources with emphasis on reducing the career
8 complement, maximizing effective use of the least costly labor categories,
9 and maintaining service.

10 It may be useful to describe these meetings in greater detail. Each
11 Monday afternoon the staff, the performance clusters and myself hold a
12 telephone conference to discuss the past week's performance. Key
13 concerns center on total operating expenses, especially salaries and
14 benefits, employee mix, overtime, and revenue. Additionally we discuss the
15 other voices, that is the voice of the customer - service, and the voice of
16 employee - training, safety, complement management etc. The focus of
17 these telephone conferences is on how we did in the past seven days, what
18 we need to do to improve in the coming weeks, and what the outlook is for
19 the rest of the year.

20

21 Each accounting period, that is every four weeks, the lead Plant
22 Managers, District Managers, the Area Staff and myself meet for two days,
23 typically here at the Area Office in Windsor. We again focus on how well we

1 did, but now over the past 4 weeks and year to date, emphasizing any gaps
2 in performance and areas where there is room for improvement. We have
3 hard data available for these meetings and focus on our net income, salaries
4 and benefits, total operating expense, total facility productivity, etc. We also
5 have an opportunity to look at economic value added (EVA) with an eye to as
6 how best to improve performance in all categories. Additionally we spend
7 significant time on the voice of the customer, particularly service, and the
8 voice of the employee, especially safety, training and complement
9 management.

10
11 At our quarterly Business Review meetings we meet with the Lead Plant
12 Managers, the District Managers and their direct reports in each Performance
13 Cluster. The meetings with each Performance Cluster typically last about half
14 of a day and we discuss all the above in detail , especially total facility
15 productivities, complement trends, what we need to do to position ourselves
16 to be successful for the rest of the year and how best to service our
17 customers. These are intense and detailed discussions geared to mid-course
18 adjustments to plans and assumptions. Complement trends are most
19 apparent in quarterly data, so complement is always a major element of these
20 discussions. My managers are all sensitive to the significant cost differences
21 between career and non-career employees.

22

1 At the conclusion of the year, we wrap up the fifty-two weeks with a focus
2 on how well we did, and what we need to improve on for the coming year.

3
4 The point of this narrative is the common thread of discussion -- from
5 week, to accounting period, to quarter, to end-of-year -- focusing on skillful
6 utilization of resources and the ability to make our budget while providing
7 outstanding service. The key to our success in the United States Postal
8 Service has been focus, attention to detail and planning.

9

10 C. The Incentives Extend onto the Plant Floor

11

12 In addition to the competitive aspects, incentive awards can be financially
13 significant to the recipients. I am told that in FY 1997 every Performance
14 Cluster made their financial goals and that last December the average
15 supervisor had 9.89% of annual salary credited to her incentive payment
16 account, and 6.67% paid out in cash. Their supervisor, the Plant Manager,
17 has a larger incentive payment opportunity and, as I explained above,
18 substantial encouragement to help his supervisors manage economically.

19

20 D. Line Supervisors get the Mail Out, but do it Economically

21

22 The Plant Manager and her supervisors work to fulfill the Operating Plan as
23 productively as possible. Productivity in distribution operations is carefully

1 monitored, but everyone is aware that excess workhours in allied operations such as
2 Opening Units, where there are no effective workload productivity measures, would
3 wipe out hard-won gains in distribution productivity. Witness Stralberg describes
4 Opening Units as the "least monitored". This is the opposite of the truth. Opening
5 Units are usually in a very visible location where they are easily monitored. The
6 Plant Manager and supervisors pass by Opening Units frequently. Any experienced
7 manager can evaluate the workload based on visual inspection and recognize
8 whether it is operating efficiently. If employees wanted to "hang-out", they certainly
9 wouldn't choose Opening Units as the place to do it.


10 No Plant Manager knows in advance exactly how much mail his facility must
11 process on a given night, exactly when it will arrive, or precisely how many of his
12 employees will show up for work. But, supervisors have a number of tools to get the
13 mail out and still operate economically. For example, they can:

- 14 •send employees to lunch early
- 15 •call employees in early or send part-time employees home.
- 16 •call for voluntary or mandatory overtime
- 17 •offer annual leave to regular employees
- 18 •shift employees between operations as workload requires and as skills
19 and labor agreements permit.

20 All of these decisions must be made quickly on-the-spot with fragmentary
21 information, but this is what we expect of our supervisors. Record service
22 levels and a strong financial performance over the last three years testify to
23 the good job they are doing.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



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