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

Retail Access Optimization Initiative, 2011	)	**Docket No. N2011-1**

INTERROGATORIES OF THE
CENTER FOR STUDY OF RESPONSIVE LAW
TO THE UNITED STATES POSTAL SERVICE
CSRL/USPS - 1 - 13
(August 26, 2011)

The Center for Study of Responsive Law requests the United States Postal Service to answer, fully and completely, the following interrogatories pursuant to the Commission's Rules of Practice and Procedure. Any reference to testimony or other sources should, when possible, indicate the page and line numbers.

For each interrogatory response, please identify all individuals responsible for providing the response who will be able to confirm the response under oath.

For any objection to or other refusal to answer any portion of any interrogatory, please provide all information requested by that portion of the request to which there is no objection, or which an answer is not refused. If an objection is made to an interrogatory on the ground that it is too broad, please provide all information determined by the USPS to be discoverable. If an objection is made to an interrogatory on the ground that to provide the requested discovery would constitute an undue burden, please provide all requested documents that can be supplied without undertaking what is claimed an undue burden.

For those portions of any interrogatory to which an objection is raised, or which a complete answer is otherwise refused, please state each reason for the objection or declination. If an objection is made to any portion of any interrogatory on the ground that it seeks privileged or otherwise non-discoverable information, please state the privilege or other protection asserted, indentify all persons to whom the document that is claimed to be non-discoverable have been communicated or displayed, and identify all documents that constitute, contain or reflect such information; and provide a separate list of all asserted privileged documents that identifies the author recipient date and general subject matter of each document.

In any instance where a response to an interrogatory cannot be provided in full, please so state and then respond to that portion of the interrogatory to which USPS can respond. You should supplement the responses to answers to these interrogatories in accordance with the provisions of Rule 26(e) of the Federal Rules of Civil Procedure.

Respectfully Submitted,

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CSRL/USPS-1 In the document, "Request of the United States Postal Service for an Advisory Opinion on Changes in the Nature of Postal Services," the USPS refers to 3,652 post offices, branches, and stations that will be studied for possible closure or consolidation (lines 12 through 27 of page 5 and lines 1 through 10 of page 6). Please provide the Center for Study of Responsive Law with a list of the specific criteria that will be used to determine the subset of the 3,652 post offices being studied under the Research Access Optimization Initiative (RAOI) that will be recommended for closure or consolidation.

CSRL/USPS-2 Please provide the Center for Study of Responsive Law with any information regarding considerations or determinations that the USPS has made (if any) in determining possible effects on absentee ballot voting for residents in areas that would be affected by the closure of post offices, branches, and stations that are candidates for closure or consolidation.

CSRL/USPS-3 Please provide the Center for Study or Responsive Law with any information regarding considerations or determinations that the USPS has made (if any) in determining possible effects on the ability to obtain passports of residents in areas that would be affected by the closure or consolidation of post offices, branches, and stations that are candidates for closure or consolidation.

CSRL/USPS-4 In the document, "Request of the United States Postal Service for an Advisory Opinion on Changes in the Nature of Postal Services," the USPS concedes that the scope of changes that result from this initiative may be "substantially nationwide" (lines 4 through 7 of page 2). The USPS also acknowledges that it cannot estimate the actual scope of potential service changes in the same document (lines 1 and 2 of page 2). In Title 39 of the U.S. Code, Part I, Chapter 1, Section 101(b) states that: "…The Postal Service shall provide a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining." Further, in Title 39 of the U.S. Code, Part I, Chapter 4, Section 404(d)(2)(A)(i through iii) states:

> "The Postal Service, in making a determination whether or not to close or consolidate a post office – (A) shall consider – (i) the effect of such closing or consolidation on the community served by such post office; (ii) the effect of such closing or consolidation on employees of the Postal Service employed at such office; (iii) whether such closing or consolidation is consistent with the policy of the Government, as stated in section 101(b) of this title, that the Postal Service shall provide a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self sustaining;…".

(a.) How, then, does the USPS expect the closure or consolidation of even a single post office, branch, or station to impact a community's or consumer's ability to make use of the postal service?

(b.) Would the closure or consolidation of a single post office, branch, or station not negatively impact a community's or consumer's ability to make use of the postal service?

(c.) How would a closure or consolidation impact an employee of the post office?

(d.) How would a closure or consolidation impact the provision of a "maximum degree of effective and regular postal services to rural areas, communities, and small towns…"?

(e.) Does the USPS reasonably expect that the closure or consolidation of even a single post office, station, or branch would not negatively impact any of the three considerations,

listed above, that Title 39 of the U.S. Code requires the USPS to consider in the closure or consolidation of post offices, branches, or stations?

CSRL/USPS-5 In the document, "Request of the United States Postal Service for an Advisory Opinion on Changes in the Nature of Postal Services," the USPS refers to 3,652 post offices, branches, and stations that will be studied for possible closure or consolidation (lines 12 through 27 of page 5 and lines 1 through 10 of page 6).

(a.) Are there facilities included in the candidate list of 3,652 post offices, branches, and stations that are being considered for closure or consolidation solely because they are operating at a deficit?

(b.) Are any of these facilities primarily being considered because they are operating at a deficit?

(c.) Would any of these facilities ultimately be closed or consolidated for operating at a deficit?

(d.) If the USPS concedes that "No small post office shall be closed solely for operating at a deficit," (as is required by U.S. Code, Title 39, 1, Chapter 1, Section 101 (b)) then under what specific criteria could the candidate post offices, branches, and stations be closed?

(e.) The primary reasons listed in the document, "Request of USPS for an Advisory Opinion on Changes in the Nature of Postal Services" (lines 12 through 27 of page 5 and lines 1 through 10 of page 6) for inclusion in the list of candidate post offices, branches, and stations are economic in nature. How does the USPS reconcile this with the previously cited statutes?

CSRL/USPS-6 In the document, "Request of the United States Postal Service for an Advisory Opinion on Changes in the Nature of Postal Services," the USPS refers to 3,652 post offices, branches, and stations that will be studied for possible closure or consolidation (lines 12 through 27 of page 5 and lines 1 through 10 of page 6). Would the closure or consolidation of any of the post offices, branches, or stations included in the 3,652 being studied under the RAOI result in the elimination of mail delivery to a customer who previously received it from the U.S. Postal Service? Please identify each such postal facility by address.

CSRL/USPS-7 In the document, "Request of the United States Postal Service for an Advisory Opinion on Changes in the Nature of Postal Services," the USPS refers to 3,652 post offices, branches, and stations that will be studied for possible closure or consolidation (lines 12 through 27 of page 5 and lines 1 through 10 of page 6).

(a.) If the USPS was to close all 3,652 post offices, branches, and stations being studied under the RAOI, how much does the USPS anticipate it will save annually?

(b.) If this estimate is not available or easily produced, has the USPS considered any estimates of the cost savings produced by the closure or consolidation of post offices,

branches, and stations in conjunction with its consideration, development, and/or implementation of the RAOI, and if so what are these estimates?

CSRL/USPS-8 Have there been any studies on the impact of the RAOI – and potential post office, branch, or station closures or consolidations that may result – on the delivery of medicine in the event of a natural disaster, terrorist activity, or other disruption of travel? If so, please provide the Center for Study of Responsive Law with the study and its findings.

CSRL/USPS-9 On page 4, lines 17 and 18 of the document, "Request of the United States Postal Service for an Advisory Opinion on Changes in the Nature of Postal Services," the USPS states that one of its goals in pursuing the RAO Initiative is to, "capture the resulting cost savings if a determination is made to close a postal retail facility."

(a.) Why has the USPS included the capture of cost savings among the goals of the RAOI?

(b.) Has the USPS included the capture of cost savings among the goals of the RAOI, in part or in whole, because the USPS has realized significant budget deficits in the past several years?

(c.) Since a part of the USPS's stated goals of the RAOI are to capture cost savings, has the USPS considered alternatives to the closure or consolidation of post offices, branches, or stations in producing equivalent or greater cost savings as those expected to be captured by the implementation of the RAOI and any subsequent closures or consolidations? If so, what alternatives has the USPS considered and what are their estimated cost savings?

(d.) A 2010 briefing paper by the Economic Policy Institute (EPI), "Congressional Mandates Account for Most of Postal Service's Recent Losses,"[1] determines that the Congressional mandate, as a part of the "Postal Accountability and Enhancement Act"[2] to prefund retiree health benefits has contributed significantly to the USPS's budget deficits in recent years. The briefing paper states that no other government entity or private-sector company is required to do this.

(i.) Does the USPS see this as an unreasonable burden?

(ii.) Has the USPS considered how much this Congressional mandate has contributed to its budget deficits (or surpluses) in the past 5 years (2006 – 2010)?

(iii.) What would the USPS's budget deficits (or surpluses) have been in the past 5 years (2006 – 2010) without this Congressional mandate?

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[1] Clemente, Frank and Tom Kiley. "Congressional Mandates Account for Most of Postal Service's Recent Losses." Economic Policy Institute. Briefing Paper #268. July 22, 2010. Accessed August 25, 2011. <http://www.epi.org/page/-/pdf/BP268.pdf?nocdn=1>

[2] P.L. 109-435, 120 STAT 3251.

(iv.) Would the elimination of this Congressional mandate offset the need to close or consolidate post offices, branches, and stations under the USPS's RAOI or otherwise?

(e.) The EPI briefing paper referenced in CSRL/USPS-9 (d.) also states that the USPS Inspector General has determined that the USPS made $75 billion in overpayments to the federal government for its share of its employee pension benefits.

(i.) In the USPS's determination to pursue the RAOI or the specific goal cited above for capturing cost savings, has the USPS considered the effect that the return of the $75 billion in overpayments to the USPS would have on its current debt and future budget deficits (or surpluses)? If so, what effect would it have?

(ii.) Would the return of the $75 billion in overpayments made to the federal government referenced in CSRL/USPS-9(e.) offset the need to close or consolidate post offices, branches, or stations under the USPS's RAOI or otherwise?

CSRL/USPS-10 On page 4, lines 17 and 18 of the document, "Request of the United States Postal Service for an Advisory Opinion on Changes in the Nature of Postal Services," the USPS states that one of its goals in pursuing the RAOI is to, "capture the resulting cost savings if a determination is made to close a postal retail facility."

(a.) Since a part of the USPS's stated goals of the RAOI are to capture cost savings, has the USPS considered the potential cost savings that could be produced by discontinuing the postage discounts provided to commercial bulk mailers for "work sharing," including bundling or presorting their mail based on its destination, attaching bar codes before presenting it in bulk to the Postal Service, or transporting mail closer to its destination, known as "dropshipping"?

(b.) How much does the USPS spend annually by providing the postage discounts for activities discussed in CSRL/USPS-10 (a.)?

(c.) Would discontinuing postage discounts for activities discussed in CSRL/USPS-10(a.) offset the need to close or consolidate post offices, branches, or stations under the USPS's RAOI or otherwise?

(d.) The GAO has determined on two separate occasions in a report in 1982 and a report in 1996 that the USPS has provided discounts for a significant number of mailings which have not been prepared in a manner as required to earn bulk rates. In 1982, the GAO found that 54 percent of presorted mailings accepted by postal clerks should not have received discounts.[3] In 1996, the GAO found that "40 percent of the required

[3] General Accounting Office. "Acceptance Procedures for Bulk Mailings: Postal Initiatives Show Promise." June 28, 1982., pp. 1-3.

presort verifications of business mailings that we reviewed were not performed…"[4] This indicates that the USPS may be providing presort discounts for bulk mailers that do not deserve it. Since a part of the USPS's stated goals of the RAOI are to capture cost savings, has the USPS more recently examined if discounts have continued to be provided to bulk mailers for activities described in CSRL/USPS-10(a.) that have not been prepared in a manner required to earn the discounted rates?

(e.) Has the USPS considered the potential cost savings that could be produced by ensuring that only bulk mailers that perform the activities described in CSRL/USPS-10(a.) in the manner required to earn the discounted rates? If so, what does the USPS estimate would be saved simply by preventing commercial bulk mailers from receiving postage rate discounts for activities described in CSRL/USPS-10(a.) that they have not performed in a manner required to earn the discounted rates?

(f.) Would preventing commercial bulk mailers who did not meet the requirements for discounted rates from erroneously receiving those discounted rates offset the need to close or consolidate post offices, branches, or stations under the USPS's RAOI or otherwise?

CSRL/USPS-11 On page 4, lines 17 and 18 of the document, "Request of the United States Postal Service for an Advisory Opinion on Changes in the Nature of Postal Services," the USPS states that one of its goals in pursuing the RAOI is to, "capture the resulting cost savings if a determination is made to close a postal retail facility."

(a.) Since a part of the USPS's stated goals of the RAOI are to capture cost savings, has the USPS considered the revenue that could be produced by reinstituting a postal savings system, as was in place from 1911 to 1966?

(b.) Would the revenue that would be produced by a postal savings system offset the need to close or consolidate post offices, branches, or stations under the USPS's RAOI or otherwise?

CSRL/USPS-12 Title 39 of the U.S. Code, Part I, Chapter 4, Section 404(d)(2)(A)(i) states: "The Postal Service, in making a determination whether or not to close or consolidate a post office – (A) shall consider – (i) the effect of such closing or consolidation on the community served by such post office…"

(a.) Has the USPS considered the impact of the closure or consolidation of a post office, branch, or station may have on the economic development of the surrounding community in conjunction with its consideration, development, and/or implementation of the RAOI?

(b.) If the answer to CSRL/USPS-12(a) is yes, what has the USPS found? Please provide the Center for Study of Responsive Law with any and all specific information regarding the negative (or positive) effects on the economic development of

[4] G.A.O. "Changes Made to Improve Acceptance Controls for Business Mail." Nov. 1999. Pp. 8.

surrounding communities expected from any and all specific post office, branch, or station closures or consolidations studied. If specific information is unavailable, but general studies of this effect have taken place, please provide this information instead.

(c.) In the studies taking place as a part of the RAOI, how is the USPS measuring possible economic development impacts on the communities that surround post offices, branches, or stations being considered for closure or consolidation (as referenced in the document, "Request of the United States Postal Service for an Advisory Opinion on Changes in the Nature of Postal Services," the USPS refers to 3,652 post offices, branches, and stations that will be studied for possible closure or consolidation (lines 12 through 27 of page 5 and lines 1 through 10 of page 6))?

CSRL/USPS-13 On page 4, lines 17 and 18 of the document, "Request of the United States Postal Service for an Advisory Opinion on Changes in the Nature of Postal Services," the USPS states that one of its goals in pursuing the RAOI is to, "capture the resulting cost savings if a determination is made to close a postal retail facility." In August 2010, the Mailers' Technical Advisory Committee (MTAC) held an "Innovation Symposium" during which a range of ideas were brought to the attention of the USPS.

(a.) Since a part of the USPS's stated goals of the RAOI are to capture cost savings, has the USPS considered the cost savings or revenue generation that could result from the implementation of the ideas presented at this "Innovation Symposium"?

(b.) If the answer to CSRL/USPS-13(a.) is yes, which specific ideas from the "Innovation Symposium" have been considered or explored, and how much have they been estimated to cost and what estimated savings would they produce?

(c.) Would the implementation of any of the ideas presented at the "Innovation Symposium" offset the need to close or consolidate post offices, branches, or stations under the USPS's RAOI or otherwise?