

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

MAIL PROCESSING NETWORK RATIONALIZATION  
SERVICE CHANGES, 2011

Docket No. N2012-1

**RESPONSES OF THE UNITED STATES POSTAL SERVICE WITNESS LACHANCE  
(USPS-T-13) TO GREETING CARD ASSOCIATION INTERROGATORIES  
GCA/USPS-T13-1 THROUGH 3  
(January 6, 2012)**

The United States Postal Service hereby provides the responses of witness LaChance to the above-listed interrogatories of the Greeting Card Association, which were filed on December 23, 2011. The interrogatories are stated verbatim and followed by the responses.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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January 6, 2012

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS LACHANCE  
TO INTERROGATORIES OF GREETING CARD ASSOCIATION**

**GCA/USPS-T13-1**

Please describe fully the Postal Service's outreach to consumers, as distinguished from business mailers or other entities in the mailing industry, regarding the service standard changes at issue in this Docket since August 2011. If written materials or other documents were prepared and used in connection with such consumer outreach, please provide copies or, for Internet material, information as to where they may be accessed.

**RESPONSE**

As referenced on page 11, lines 13 through 16 of my testimony, notice to the general public (including consumers, or household mailers) is broadcast in accordance with the established USPS Handbook PO-408 AMP process, which solicits customer feedback on service changes associated with plant consolidations. In addition, the Postal Service relied heavily on extensive media coverage achieved through Corporate Communications press releases, including Release Nos. 11-103 and 11-132 (available at <http://about.usps.com/news/national-releases/welcome.htm>) and news stories based on the media kits posted at <http://about.usps.com/news/electronic-press-kits/our-future-network/welcome.htm>.

The Information for Mailers page, at <http://about.usps.com/news/facility-studies/welcome.htm>, is also publicly accessible and available to consumers.

Additionally, outreach to consumers involved the use of signage in Post Office lobbies, as well as core language for call center scripting and employee messaging. Copies of signage and scripting are attached to this response as Attachments 1 through 3.

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS LACHANCE  
TO INTERROGATORIES OF GREETING CARD ASSOCIATION**

**GCA/USPS-T13-2**

Please refer to your prefiled testimony at page 5, line 7, through page 7, line 5.

(a) Please describe fully any initiatives directed at consumers and small businesses through the channels mentioned in this portion of your testimony which focused on the service standard changes at issue in this Docket, or any preliminary or developmental version of those changes. If written materials or other documents were prepared and used in connection with such initiatives, please provide copies or, for Internet material, information as to where they may be accessed.

(b) Please describe fully any initiatives of the type referred to in (a) which (i) preceded the development of the Mail Processing Network Rationalization plan and/or the associated service standard changes, or (ii) sought input from the consumers or small businesses addressed with respect to the development of such a plan and/or associated service standard changes. If written materials or other documents were prepared and used in connection with such initiatives, please provide copies or, for Internet material, information as to where they may be accessed.

**RESPONSE**

(a) In addition to those initiatives set forth in response to GCA/USPS-T13-1, standardized letters were sent to small businesses with active permits, as discussed on page 11 at lines 5-9 of my testimony. Copies of these letters are attached to this response as Attachments 1 through 3. Information was also available to small businesses that attended Postal Customer Council meetings held on September 13, 2011. The standard presentation utilized for those meetings was previously provided in USPS-LR-N2012-1/41.

(b)(i) There are none. All materials referenced in my response to GCA/USPS-T13-2(a) were an integral part of the Mail Processing Network Rationalization plan and did not precede development of the plan.

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS LACHANCE  
TO INTERROGATORIES OF GREETING CARD ASSOCIATION**

(b)(ii) As part of the Mail Processing Network Rationalization plan, on September 21, 2011, the Postal Service published an Advance Notice of Proposed Rulemaking in the Federal Register (76 FR 58433) soliciting comments from the public. In addition, while market research conducted may have sought input from consumers or small businesses, market research initiatives are fully described in the Testimony of Witness Whiteman (USPS-T-12).

**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS LACHANCE  
TO INTERROGATORIES OF GREETING CARD ASSOCIATION**

**GCA/USPS-T13-3**

Please refer to your prefiled testimony at page 6, line 14-16.

Please identify by page and line numbers the portion(s) of Mr. Whiteman's testimony to which this statement refers.

**RESPONSE**

This statement refers to page 3, line 10 through page 3, line 13 and page 9, line 1 through page 13, line 5 of USPS-T-12.

## **USPS National Area Mail Processing Study**

This is an informational notice of intent that the United States Postal Service is conducting Area Mail Processing (AMP) studies to evaluate the consolidation of mail processing operations.

Community meetings will be held in locations where studies are being conducted to give customers an opportunity to offer their input prior to a final decision.

The Postal Service will make every possible attempt to minimize the impact for our customers.

Notification of community meetings will be published in local newspapers as well as on signs posted in facilities that will be included in the study.

Information about additional opportunities to comment on the AMP studies is available at:

<http://about.USPS.com/news/facility-studies/welcome.htm>

## **Core Language**

Title: Area Mail Processing Studies

Dear <INSERT NAME or "Customer">,

Thank you for contacting the United States Postal Service.

The Postal Service is facing the most critical period in its history. With the economic downturn and increased diversion to the Internet, mail volumes have dropped drastically. Even when the economy recovers, mail volume is not expected to return to previous peak levels. The mail volume decline has left the Postal Service with a mail processing network that is too large for the amount of mail it now processes.

As a self-supporting government agency that receives no tax dollars for its operating expenses, the Postal Service must rely on the sale of postage and products and services to generate revenue. In the face of unsustainable deficits due to the unprecedented decline in mail volume and loss of revenue, the Postal Service must seek ways to cut costs and reduce the size of its network.

We have to match our resources to the volume of mail we have to process. The fact remains that we have an excess capacity of equipment, staff and facilities to process a declining volume of mail. It is critical that we pursue the realignment of our network in order to improve efficiency and cut costs if the Postal Service is to remain viable.

To that end, the Postal Service is conducting Area Mail Processing (AMP) studies to evaluate the consolidation of mail-processing operations.

We recognize the significant employee and community concerns associated with any potential change in postal operations. As we undertake this AMP study, you can be assured we will seek the public's input and give full consideration to any concerns before making a decision.

Community meetings will be held in locations where studies are being conducted to give customers the opportunity to offer their input prior to a final decision and the Postal Service will make every possible attempt to minimize the impact to our customers.

Thank you for contacting us.

<INSERT NAME OF EMPLOYEE OR OFFICE>

# **Agent Scripting**

**Opening:** Thank you for contacting the United States Postal Service regarding our recent announcement on Area Mail Processing studies.

**Why:** We have to match our resources to the volume of mail we have to process. To that end, the Postal Service is conducting Area Mail Processing (AMP) studies to evaluate the consolidation of mail-processing operations.

We recognize the significant employee and community concerns associated with any potential change in postal operations. As we undertake this AMP study, you can be assured we will seek the public's input and give full consideration to any concerns before making a decision.

**Who:** The list of facilities being studied is available at <http://about.usps.com/news/facility-studies/welcome.htm>. FAQs and additional information will also be available on this website. Comments can also be submitted on this web page.

## **Upcoming events:**

Community meetings will be held in locations where studies are being conducted to give customers the opportunity to offer their input prior to a final decision

Notification for local meetings will be published in local newspapers and at facilities being studied.

**Closing:** Thank you for contacting us and giving us the opportunity to address your question.

## **FOR INTERNAL USE ONLY**

### **National Area Mail Processing Studies Frequently Asked Questions**

#### **Audience: Consumer & Industry Contact and Business Mail Entry Units**

#### **General**

##### ***What is happening?***

On September 15<sup>th</sup>, the Postal Service announced a national Area Mail Processing (AMP) study to determine if there are opportunities to increase efficiency and improve productivity.

##### ***Why is this happening?***

We have to match our resources to the volume of mail we have to process. To that end, the Postal Service is conducting Area Mail Processing (AMP) studies to evaluate the consolidation of mail-processing operations.

We recognize the significant employee and community concerns associated with any potential change in postal operations. As we undertake this AMP study, you can be assured we will seek the public's input and give full consideration to any concerns before making a decision.

***Who is being studied:*** The list of facilities being studied is available at <http://about.usps.com/news/facility-studies/welcome.htm>. FAQs and additional information will also be available on this website. Comments can also be submitted on this web page.

##### ***Will customers have an opportunity to provide input?***

Community meetings will be held in locations where studies are being conducted to give customers the opportunity to offer their input prior to a final decision

Notification for local meetings will be published in local newspapers and at facilities being studied.

##### ***What type of improvements might this study identify?***

At this time, the Postal Service is only conducting a feasibility study and no decisions have been made. In the event the study identifies opportunity for improvements, the community will be notified. Generally speaking, AMP studies can identify improved efficiency through consolidation of some mail processing operations with a nearby mail processing facility.

## FOR INTERNAL USE ONLY

### ***Could this affect mail service to customers?***

At this time, the Postal Service is only conducting a feasibility study and no decisions have been made. Our customers will continue to receive the high level of service they have come to expect.

### ***Could we lose our local postmark?***

Even if a decision is ultimately made to relocate some mail processing operations, the (CITY NAME) Post Office will continue to provide a local postmark for those customers who want it. Business customers will continue to use their own postage meters and permits with a (CITY NAME) postmark. Business mail of this type is the overwhelming majority of the volume processed.

### ***Could this result in slower mail service?***

Providing a high level of service to our customers is a priority for the Postal Service. Should we choose to make changes, we expect them to be transparent to most customers.

### ***Could employees lose their jobs?***

Every effort will be made to assist career nonbargaining unit employees released from their positions, and we will reassign affected bargaining unit career employees to other jobs in accordance with applicable collective bargaining agreements.

### ***When will the AMP study be completed?***

From the time the AMP study is announced till the time a decision is made is approximately 5 months. We will notify the community when the AMP proposal is approved for implementation or deemed not feasible.

## **Business Mail Entry**

### ***What about Business Mail Entry units? How many are inside processing facilities being studied?***

The Postal Service has Business Mail Entry Units in a significant portion of our processing facilities nationwide. Virtually all of the plants that will be studied have Business Mail Entry Units. During the study phase, the Postal Service will determine the best method to manage the impact on business mailers. This may include increasing acceptance at mailer facilities or moving mail acceptance to other local post office facilities.

## FOR INTERNAL USE ONLY

### ***How will the Postal Service communicate proposed plans on plant and BMEU closings?***

The proposed network optimization and service standard changes are being communicated through many channels, including: USPS.com, aboutusps.com (aboutusps.com/facilitystudies), RIBBS, the AMP process which includes public meetings, a Federal Register notice, and meetings and discussions between postal officials and mailers.

### ***Will entry procedures be different at optimized plants?***

Standard procedures will be followed to accept and verify mail as we do today. BME facilities will manage their operating plans, volume arrival profiles and critical acceptance times to ensure adequate resources and space to accept and verify the mail to meet the needs of mailers.

### ***How will the network optimization studies affect BMEU locations and hours?***

BMEU hours and locations will depend primarily on workload and suitable acceptance locations and hours. BME facilities will manage their operating plans, volume arrival profiles and critical acceptance times to ensure adequate resources and space to accept and verify the mail to meet the needs of mailers.

### ***What are the impacts of Business Mail Entry Units (BMEU) since there will be more mail entered at fewer number of places? Can the BMEU handle the load?***

BMEUs will still be available at consolidated sites, and/or located at nearby facilities, after mail processing is moved. Reviews of acceptance and verification procedures are ongoing with the industry in an effort to reduce current verification processes. Workloads and operating windows will be reviewed and adjusted as needed.

### ***Does the Postal Service's plan consider the impact of the proposed changes on how customers make their mailings?***

Yes, and it will continue to do so throughout this process which is why your feedback is so important. The network study will include a full review of current acceptance operations at impacted facilities. Several factors will be considered including the # of impacted mailers, the # of mailings accepted and logistics associated with the network study.

### ***Will customers have to move their mailing permits if a facility is closed?***

Every effort will be made to avoid customers having to move their mailing permits. However, in some cases, customers may be required to move or open new permits.

## FOR INTERNAL USE ONLY

### ***Will customers have to pay for new permits if the permits are moved?***

In general, a customer will be able to move existing permits at no cost.

### ***What is the Postal Service's plan to counter the congestion issues that will occur once the BMEUs that remain open start dealing with larger entry volumes?***

Facility capacity will be considered as a part of network optimization study.

### ***Will BMEU operational hours change if a facility is impacted?***

Some BMEU operational hours may change as a result of the network optimization.

### ***Will resources continue to be available to assist BMEU customers impacted by the network optimization?***

Yes. Local and District USPS BME staff will provide assistance throughout the process to ensure all customer questions are answered and issues are addressed.

### ***How will the network optimization studies affect BMEU locations and hours?***

BMEU hours and locations will depend primarily on workload and suitable acceptance locations and hours. The Postal Service will work with mailers to assess the impact and develop viable solutions.

### ***Who can answer technical questions for mailers, such as whether more binding lines need to be used, and more destinations for printing?***

Guidance relating to a mailer's specific capacity/capability will be limited to the information provided during the network study. District Managers, Business Mail Entry will be available to respond to specific questions relating to impacted facilities within their control.

**[GENERAL NOTICE OF INTENT TO CONDUCT AMP FEASIBILITY STUDY TO LOCAL MAILERS]**

**(Use VP Consumer and Industry Affairs Letterhead)**



(Name)  
(Company Name)  
(Street address)  
(City, State, ZIP Code)

Dear Mr./Ms. (NAME):

This letter is an informational notice of the U.S. Postal Service's intent to conduct an Area Mail Processing (AMP) study of mail processing facilities to determine whether consolidation of some operations is appropriate.

The Postal Service is facing some of the most difficult challenges in its history. The current economic downturn and continued diversion of mail to the Internet has led to a dramatic 20 percent decline in mail volume since 2007. The decline in mail volume has also meant a decline in postal revenue. As a result, today the Postal Service has not only *more* equipment, personnel and facilities than it needs to process a decreasing amount of mail, but also *less* revenue than it needs to cover the costs of that large processing and delivery network.

The economic reality demands that the Postal Service reduce its network. Aligning postal facilities and resources with the demand for postal services by consolidating postal operations and placing equipment and employees where needed makes sound business sense. To do otherwise would be fiscally irresponsible.

Information about the AMP study process and the facilities that will be studied is available on [www.USPS.com](http://www.USPS.com). Public input is being solicited as part of the study process and will be considered in the decision-making process. In communities where the Postal Service's initial review supports the business case for changing mail processing operations, public meetings will be held. Additional information will be shared by the Postal Service, and members of the community will be invited to ask questions and provide feedback. Information about additional opportunities to comment on the AMP studies is available at: <http://about.USPS.com/news/facility-studies/welcome.htm>

On behalf of the Postal Service, thank you for the trust you have placed in us over the years to deliver your mail. We appreciate your business, and are working harder than ever to position the Postal Service so that we can continue to serve you for many years to come.

Sincerely,

Susan M. LaChance

SUSAN M. LACHANCE  
VICE PRESIDENT  
CONSUMER & INDUSTRY AFFAIRS



September 14, 2011

INDUSTRY ASSOCIATION EXECUTIVES  
MTAC INDUSTRY LEADERSHIP COMMITTEE  
PCC CO-CHAIRS

SUBJECT: Announcement by the Postal Service on September 15, 2011

Tomorrow the Postal Service will hold a press conference to announce a proposal that contemplates dramatic changes to its network of processing facilities and corresponding adjustments to service standards.

Because you are key stakeholders in everything the Postal Service undertakes, you need to be aware of – and involved in shaping – the actions that will be taken at every stage in the process. Perhaps more than any other group of stakeholders, you understand the challenges the Postal Service is facing in both financial and operational terms. We are counting on you to play a major role in the discussions that will follow tomorrow's announcement.

As the Postal Service publicly examines changes to its network and service standards in the coming months – beginning with tomorrow's press conference – you have my commitment to see that your questions are answered, and that you have ready access to the most current information available. I will send you another message tomorrow with links to more extensive information about the proposal and opportunities for providing feedback.

On behalf of the Postal Service, thank you for your continued support and partnership during these challenging times.

Sincerely,

A handwritten signature in cursive script that reads "Susan M. LaChance".

Susan M. LaChance

SUSAN M. LACHANCE  
VICE PRESIDENT  
CONSUMER & INDUSTRY AFFAIRS



September 15, 2011

INDUSTRY ASSOCIATION EXECUTIVES  
MTAC INDUSTRY LEADERSHIP COMMITTEE  
PCC CO-CHAIRS  
CUSTOMERS, MANAGED ACCOUNTS

SUBJECT: USPS Network Optimization Proposal and Service Standards Changes Proposal

This morning at a national media event in Washington, D.C., the Postal Service proposed sweeping changes to its massive nationwide infrastructure and adjustments to service standards. To make accessing information about these proposals as easy as possible for you, we have created a web page specifically for the industry and mailers at:

<http://about.usps.com/news/facility-studies/welcome.htm>

This web page can be accessed immediately. It contains:

- Link to the media kit, which includes:
  - Press release
  - Frequently Asked Questions (FAQs for media)
  - Advance Notice of Proposed Rulemaking (Federal Register)
  - Fact sheets
  - List of processing plants to be studied
- A video from the Postmaster General
- Industry FAQs (in process)

Because the questions and concerns expressed by the industry and mail owners are likely to be more sophisticated and technical than those of consumers and the media, materials will be developed specifically for you. The materials will be updated periodically throughout the Network Optimization study process to include FAQs reflecting the evolution of the process.

The industry and mailers are key stakeholders in everything the Postal Service undertakes. We know that these proposed changes, if implemented, will impact all of you in some way. That is why *together* we will continue to discuss the potential effects of the network optimization proposal and service standards changes, and work toward mutually acceptable solutions wherever possible. The exchange of information, ideas, and concerns that began in general with many of you last month will continue in earnest as the study process evolves and we all have more information.

There are a number of ways to convey your questions, comments and concerns to the Postal Service and others. Public input meetings will be scheduled in locations featuring a processing facility on the new AMP study list released today. An email address has been set up for your use in corresponding with us on the proposed service standard changes that are the subject of the Advance Notice in the Federal Register. The address is [industryfeedback@usps.gov](mailto:industryfeedback@usps.gov).

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WASHINGTON, DC 20260-5600  
202-268-6566  
FAX: 202-268-4263  
WWW.USPS.COM

We will work hard to keep you updated at every step of the way during this process, and to see that your questions, ideas and concerns are reviewed and considered.

On behalf of the Postal Service, I thank you for your ongoing efforts to help keep the mailing industry strong and vibrant.

Sincerely,

A handwritten signature in black ink, appearing to read "Susan M. LaChance". The signature is fluid and cursive, with a long horizontal flourish at the end.

Susan M. LaChance

cc: FAST User Group  
PostalOne User Group  
PCC Insiders Mailing List  
DMM Advisor Mailing List  
MTAC Members