

Before the
POSTAL REGULATORY COMMISSION
Washington, DC 20268-0001

Mail Processing Network Rationalization)	Docket No. N2012-1
Service Changes, 2012)	

NATIONAL POSTAL MAIL HANDLERS UNION INTERROGATORIES TO USPS
WITNESS FRANK NERI (NPMHU/USPS-T4-1-17)

Pursuant to Rules 25 through 28 of the Commission’s Rules of Practice and Procedure, the National Postal Mail Handlers Union (“NPMHU”) hereby submits the following interrogatories to USPS witness Frank Neri, USPS-T4. If the witness is unable to respond to any interrogatory, please redirect the interrogatory to a more appropriate USPS witness.

Instructions and Definitions

“USPS” or “Postal Service” means the United States Postal Service, its employees, agents, witnesses, and all other persons who act under the direction of the United States Postal Service, including but not limited to consultants and other independent contractors.

“Mail Processing Network Rationalization Service Changes, 2012” (MPNR) or means the proposed restructuring of the USPS’s mail distribution and transportation

network presented to the PRC in its December 5, 2010 “Request of the United States Postal Service for an Advisory Opinion on Changes in the Nature of Postal Services.”

“MNPR Network” means the mail distribution and transportation network required to implement the USPS’ MNPR and that, inter alia, accommodates the USPS’s elimination of 252 mail processing facilities.

“Documents” has the meaning as ascribed within the federal Rules of Civil Procedure and includes any documents or things that constitute or contain matters that are relevant to the subject matter of this proceeding and that are in the custody or control of the USPS.

“Losing facility” is defined and used herein in the same manner as it is defined and used in Section 1-1.2 of the PO-408 handbook.

“Gaining facility” is defined and used herein in the same manner as it is defined and used in Section 1-1.2 of the PO-408 handbook. The term document has the same meaning as ascribed within the federal Rules of Civil Procedure.

The term “person” means any natural person, corporation, partnership, proprietorship, association, organization or group of natural individuals.

The term “identify,” when used with regard to a person means to provide the full name, position, address and telephone number of the person.

The term “identify,” when used with regard to a document means to describe the subject matter of the document, its author, its date and any addressee.

Interrogatories

NPMHU/USPS – T4-1 On page 15 of your testimony, you state that “[m]ost PIRs find that actual net savings exceed what was originally projected.”

- (a) Confirm that the largest portion of net savings reflected in most, if not all, PIRs is a decrease in labor costs.
- (b) Confirm that, in the vast majority of cases where actual net savings exceeded original projections, net savings as shown in the PIR exceed original projections due to the fact that workforce attrition was much greater than projected in the AMP.
- (c) Confirm that the PIRs measure savings by comparing pre-AMP costs with costs at the time of the PIR, and therefore do not account for contemporaneous occurrences that would contribute to a decrease in costs, which could include decreased mail volume and workforce attrition.
- (d) Confirm that the Postal Service offered a retirement incentive program during the time frame measured by most final PIRs to date.
- (e) If (a), (b), (c), or (d) are not confirmed, explain why the statement(s) not confirmed is incorrect.

NPMHU/ USPS – T4-2 On page 14 of your testimony, you state that the AMP process is a “time tested and verified methodology of calculating savings associated with mail processing facility consolidation and/or closure.” State the factual basis for this assertion.

NPMHU/ USPS – T4-3 Out of the AMP studies done to date, what number and percentage have resulted in a decision not to consolidate or to halt, terminate, withdraw or hold in abeyance the study?

NPMHU/ USPS – T4-4 On page 17 of your testimony, you state that “[u]nder the proposed plan, there would be an opportunity to distribute mail to fewer than 200 mail processing facilities, resulting in fewer handlings.”

(a) Is it accurate that the “handlings” for incoming mail at destination facilities would be increased under the proposed plan, because each remaining destination facility would be distributing mail to a greater number of destinations?

(b) If the answer to (a) is no, explain why not.

(c) If the answer to (a) is yes, explain how this increased volume and cost is accounted for in the MPNR and the cost savings projected by witness Bradley.

NPMHU/ USPS – T4-5 What calculations were done to confirm that, as stated on page 17 of your testimony, facilities in the reconfigured network would be “filled to the capacity”? Please provide those calculations.

NPMHU/ USPS – T4-6 On page 18, your testimony refers to a “flexible workforce adjusted to daily staffing needs.”

(a) Please provide details regarding this flexible workforce and any plans made by the Postal Service for a flexible workforce adjusted to daily staffing needs.

- (b) Please explain how the MPNR makes this flexible workforce possible or necessary.
- (c) What estimates has the Postal Service made of anticipated needs for a flexible workforce?
- (d) Have the flexible workforce needs been incorporated into the cost estimates for the reconfigured network? If so, please provide a library reference showing these estimates.

NPMHU/ USPS – T4-7 Your testimony refers to the advantages of a longer processing window. Has the Postal Service made any estimates of how efficiency could be increased and/or costs decreased by increasing the processing window without closing processing facilities?

- (a) If so, please provide these estimates and associated worksheets.
- (b) If the answer is no, please explain why not.

NPMHU/ USPS – T4-8 On page 12 of your testimony, you state that “some pieces require manual casing at delivery offices, resulting in increased work hours for clerks and carriers.”

- (a) Please provide any available figures for the percentage of mail that requires manual casing at delivery offices, and the number of work hours for clerks and carriers attributable to this manual casing.
- (b) Would manual casing be eliminated entirely under the MPNR?

(c) If the answer to (b) is no, have you or the Postal Service made any estimations of the relative decrease in manual casing under the MPNR as compared to current operations?

NPMHU/ USPS – T4-9 In Figure 5 of your testimony, as amended in your testimony errata, you set forth an operating plan for a “typical” plant. What percentage of plants operate on this operating plan?

NPMHU/ USPS – T4-10 In Library Reference 10 associated with your testimony, you calculate mean, median and average run times, down times and idle times across 892 different postal facilities.

(a) Please confirm that these calculations include facilities that have already been closed by the Postal Service (e.g., Frederick, MD; Jackson, TN, Wilkes-Barre, PA) and facilities where a decision has already been made to consolidate operations into another facility (e.g., Springfield, MA).

(b) After subtracting those facilities that have already closed and those for which the decision has already been made to close, how many of those 892 facilities remain?

(c) Please state whether you or anyone at the Postal Service calculated these figures across the remaining facilities identified in your response to (b). If so, please provide those figures.

(d) Please state whether these run times, down times and idle times for individual facilities were considered in past decisions to consolidate, or are being

considered in the current MPNR process. If so, please explain how these times factor into the decision.

NPMHU/ USPS – T4-11 On page 16 of your testimony, you state that “turn-around mail, which is currently forced into the overnight processing window, would be moved to the processing window for the following day, resulting in utilization of fewer resources and maximization of the processing capacity.”

(a) Please confirm that turn-around mail will no longer be processed on the same day that it is entered into the postal system.

(b) Please confirm that this will result in longer processing and delivery times for local mail, even in those locations that will not lose a mail processing facility.

(c) Please confirm that if turn-around mail is not processed until Day 1 after its entry into the system, that local turn-around mail will not be delivered until Day 2 after entry into the system.

(d) If any of the above (a) through (c) are not confirmed in full, please explain why these statements are not correct.

NPMHU/ USPS – T4-12 On page 18 of your testimony, you state that eliminating the need for mail processing facilities to wait for overnight First-Class Mail would result in an idle time reduction of 27%. Please provide a citation to testimony or library reference that supports this figure.

NPMHU/ USPS – T4-13 As part of the MPNR, did you consider the logistics of getting a substantially increased quantity of mail into and out of the facilities that would remain in the MPNR, including issues such as dock space, traffic patterns, truck access and wait times? If so, please explain how these considerations factored into the process of designing the MPNR network.

NPMHU/ USPS – T4-14 Please explain how you arrived at the figures for % productivity improvement in Figure 12, pages 29-30, of your testimony, and provide any supporting calculation or workpapers.

NPMHU/ USPS – T4-15 On page 30 of your testimony, you state that “it is reasonable to project that staffing for In-Plant Support would be reduced by approximately 29.65 percent” and cite to the testimony of Witness Bradley, USPS-T-10, at Figure 9. Witness Bradley, in turn, states that you have found that the Postal Service will be able to reduce its need of in plant support hours by 29.7 percent as a result of the MPNR. See USPS-T-10 at 21.

- (a) Is the 29.65% figure a figure that was calculated by Witness Bradley or by you?
- (b) Please state the factual basis for your belief that this is a reasonable projection.
- (c) Would you anticipate that In-Plant Support staffing would increase at facilities that remain after the MPNR is implemented?

NPMHU/ USPS – T4-16 Referring to Library Reference 44, USPS-LR-N2012-1/44:

- a) Please explain what the column “SumOfWindow” represents.

- b) Please confirm that these figures are sums across the entire Postal processing network, or, if not confirmed, please explain what these figures represent;
- c) Please confirm that the national averages for % Processing time and % Operating time must remain below 100%, in order to allow for natural fluctuations in the amount of mail to be processed, or, if not confirmed, please explain why this is incorrect.
- d) If (c) is confirmed, please explain what are the Postal Service's targets for % Idle time, % Processing time, and % Operating times, so as to allow sufficient excess capacity to accommodate fluctuations in workload among days and facilities.
- (e) Did the Postal Service consider these excess capacity calculations, broken down by facility or geographical area, in determining which facilities to consolidate? If so, please identify the portion of the record in this case that discusses the process by which these calculations were considered.

NPMHU/ USPS – T4-17 The Commission's decision in docket N2006-1 noted that there is a remarkably wide gap in productivity among processing plants. Op., Dckt. N2006-1 at 42.

- a) Please confirm that there continues to be a wide gap in productivity among processing plants. If not confirmed, please explain what has occurred between 2006 and the present to eliminate this wide variation.
- b) The Commission's Opinion in N2006-1 noted that productivity varied by more than a factor of five across mail processing plants. Please provide the comparable figures for present day.

- c) Did the Postal Service consider the relative productivity of facilities in deciding which facilities to close? If the answer is yes, please explain in detail how this was factored into the decision-making process.

Respectfully submitted,

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