

Before the
POSTAL REGULATORY COMMISSION
Washington, DC 20268-0001

Mail Processing Network Rationalization)	Docket No. N2012-1
Service Changes, 2012)	
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NATIONAL POSTAL MAIL HANDLERS UNION INTERROGATORIES TO USPS
WITNESS MICHAEL D. BRADLEY (NPMHU/USPS-T-10-1-18)

Pursuant to Rule 26 of the Commission's Rules of Practice and Procedure, the National Postal Mail Handlers Union ("NPMHU") hereby submits the following interrogatories to USPS witness Michael D. Bradley, USPS-T-10. If necessary, please redirect any 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" or "MNPR" 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-T-10-1 On page 2 of your testimony, you state that in your “costing exercise”, “the volume of mail being sorted and transported is held constant.” Please

explain the effect on your calculations: (a) if the volume of mail decreases by 10 billion pieces in 2012, as predicted by witness Masse, see USPS-T-2 at 1; and (b) the volume of mail decreases by an additional 2.9 billion pieces, as predicted by witness Whiteman (USPS-T-12) as a result of loss of market share due to decreased service standards.

NPMHU/ USPS-T-10-2 Please confirm that your use of the term “inactive sites” at pages 9-10 of your testimony refers to those facilities for which an AMP study has already been approved, together with those facilities for which an AMP study was ongoing as of September 16, 2011. If not confirmed, please explain that term.

NPMHU/ USPS-T-10-3 Please confirm that your calculations of estimated savings are completely independent on any savings calculations made for specific facility consolidations through the AMP feasibility study process. If not confirmed, please explain how your calculations relate to the savings calculations made for specific facility consolidations.

NPMHU/ USPS-T-10-4 Please confirm that your productivity calculations do not incorporate facility-specific productivity data. If not confirmed, please explain how the facility-specific data factors into your calculations.

NPMHU/ USPS-T-10-5 Does your cost estimates account for the fact that increased usage of mail processing equipment at each remaining site will lead to increased maintenance and a shorter useful life for these pieces of equipment? If so, please

identify where in your cost estimates this fact is accounted for. If not, please explain why this was not included in your calculations.

NPMHU/ USPS-T-10-6. Please confirm that your testimony does not account for increased costs in HCR transportation that may arise if contractors raise the per mile price charges to the Postal Service. If not confirmed, please identify where your estimates account for this possibility.

NPMHU/ USPS-T-10-7 Referring to Table 16 in your testimony, please explain the differences between, and relationship among, the savings achieved through workload transfer; that achieved through productivity gains; and that achieved through each category of workload reduction cost changes.

NPMHU/ USPS-T-10-8 Referring to Table 16 in your testimony, are the savings achieved through workload transfer; that achieved through productivity gains; and that achieved through each category of workload reduction cost changes all achieved through the elimination of workhours by Postal employees? If not, please explain what portion of these savings are not achieved in that manner, and explain how they are achieved.

NPMHU/ USPS-T-10-9 For that portion of the savings calculations you have made that depend on savings in labor costs other than decrease of premium pay, please provide specific calculations that show estimated reductions in work hours by craft.

NPMHU/ USPS-T-10-10 Please explain the effect on your calculations if the ongoing AMP studies determine that one or more of the proposed consolidations are infeasible.

NPMHU/ USPS-T-10-11 Please explain how your calculations are related to the estimates of required staffing that will be contained in the ongoing AMP studies, including in your answer how your calculations account for the Postal Service's planned staffing requirements at each processing facility that the Postal Service intends to keep open.

NPMHU/ USPS-T-10-12 Please explain how your calculations relate to the estimated reduction in FTE employee workhours stated in the Postal Service's response to the Public Representative's Interrogatory 1, USPS-T8-1, including in your answer: (a) whether one set of calculations was derived from the other and, if so, how they were so derived, and (b) what portion of your cost savings are attributable to these reduction in FTEs.

NPMHU/ USPS-T-10-13 Please state what portion of the "rents or rental opportunity costs" savings you identify in Table 16 are: (a) attributable to rents on leased facility space; and (b) attributable to rent on leases from which the Postal Service may be released within 2012.

NPMHU/ USPS-T-10-14 Please state whether your cost estimates for “rents or rental opportunity costs” account for the different commercial real estate market conditions in each of the various locations where the Postal Service may close processing facilities.

- (a) If the answer to the above is yes, please provide explain in detail on how these individual market conditions were determined and how they factored into your analysis.
- (b) Please explain how your calculations regarding “Facility Related Costs Changes” would change if the Postal Service is unable to rent or sell the properties that it currently owns.
- (c) Please identify any properties that the Postal Service owns that it is trying to sell, or has determined is not able to be sold.

NPMHU/ USPS-T-10-15 Please provide the data to support the average per mile HCR cost of \$2.05 as stated on page 36 of your testimony, including in your answer the total expenditure made by the USPS for HCR services in FY2010 and the total HCR miles driven in FY2010.

NPMHU/ USPS-T-10-16 Please confirm that, as devices for calculating the marginal change in cost caused by changes in capacity or workload, the variability coefficients used in Tables 1, 12, and 15 of your testimony do not remain constant if overall cost, workload, or capacity figures change significantly.

NPMHU/ USPS-T-10-17 Please confirm that you did not test or independently calculate the estimations made by witness Martin regarding capacity reduction that would result from the MNPR, and which you used in your calculations.

NPMHU/ USPS-T-10-18 Please explain why type of costs are included as non-volume variable costs in your calculations. For instance, is the time associated with setting up and breaking down a machine considered a volume variable cost, or an institutional, non-volume variable cost?

Respectfully submitted,

Patrick T. Johnson

As agent for and authorized by:

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