

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

MAIL PROCESSING NETWORK
RATIONALIZATION SERVICE CHANGES, 2012

DOCKET No. N2012-1

**RESPONSES OF POSTAL SERVICE WITNESS RACHEL TO
INTERROGATORIES OF THE GREETING CARD ASSOCIATION
(GCA/USPS-T8-1-5)**

The United States Postal Service hereby provides its response to the above-referenced interrogatories of the Greeting Card Association dated January 27, 2012.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

By its attorneys:

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**RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS RACHEL
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GCA/USPS-T8-1. Please refer to page 7, lines 13-18 of your prefiled testimony.

(a) Please define the term “postal area” as used at line 15.

(b) Please explain fully the scope (e.g., nationwide, postal-area-wide, installation-wide) of the contractual prohibition on reassignment, without mutual consent, of covered employees to a withheld position in a different installation within the same postal area more than once in every three months.

RESPONSE:

(a) The term “postal area,” as used at page 7, line 15, of my testimony, refers to a unit of the management structure of the Postal Service. The nation currently is composed of seven geographic management units (areas) with operational responsibility for portions of the nation. The seven areas are Eastern, Western, Pacific, Great Lakes, Northeast, Capital Metro, and Southwest.

(b) The scope of the provision is postal-area-wide.

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GCA/USPS-T8-2. Please refer to page 13, lines 1-6, of your prefiled testimony.

(a) Please supply citations, including Web addresses or links where applicable, to all Office of Personnel Management (OPM) regulations or other publications governing Voluntary Early Retirement, both in general and as it applies to the Postal Service.

(b) Please describe fully the scope of the OPM authorization mentioned in lines 5-6 of page 13, including, without limitation,

(i) whether the authorization applies to the Postal Service as a whole; to specific programs, regions, employee categories, or other subunits; or to individual employees;

(ii) the duration of such authorization(s); and

(iii) the time reasonably expected to be required to obtain such an authorization.

RESPONSE:

(a) Please refer to the early retirement information provided by OPM in the following sources:

CSRS and FERS Handbook for Personnel and Payroll Offices, found at:

<http://www.opm.gov/retire/pubs/handbook/hod.htm>

Refer especially to Chapter 43, Early Voluntary Retirement, found at:

<http://www.opm.gov/retire/pubs/handbook/C043.pdf>

Retirement Facts 6 -- Early Retirement Under the Civil Service Retirement

System, November 1997 (Form Number: RI 83-6), found at:

<http://www.opm.gov/forms/pdfimage/RI83-6.pdf>

FERS -- Federal Employees Retirement System (An Overview of Your Benefits),

April 1998 (Form Number: RI 90-1), found at:

<http://www.opm.gov/forms/pdfimage/RI90-1.pdf>

Special Retirement Supplement (FERS Supplement) Fact Sheet, found at:

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<http://www.opm.gov/retire/pre/election/benefits/srs.htm>

The main CSRS Retirement page is found at:

<http://www.opm.gov/retire/pre/csrs/index.asp>

The main FERS Retirement page is found at:

<http://www.opm.gov/retire/pre/fers/index.asp>

- (b) (i) The authorization from OPM applies to the entire Postal Service.
- (ii) The authorization from OPM extends through September 30, 2012.
- (iii) The time required to obtain a decision on VER authorization from OPM is dependent on the complexity and scope of the request. It would typically be decided within 90 days of the request.

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GCA/USPS-T8-3. Please refer to page 13, lines 7-11, of your prefiled testimony.

(a) Please explain fully any bases (beyond the numerical eligibility levels specified in lines 9-10) for your judgment that there is potential for significant attrition.

(b)

(i) Please provide any information available to you concerning the rate(s) of retirement among Postal Service employee groups corresponding to those making up the 28 percent and 21 percent cited in lines 9-10, for the Fiscal Years 2005 through 2011, inclusive.

(ii) Please provide any information available to you, including documents containing factual findings, analyses, or conclusions, regarding the effect of the 2008-2009 recession on (α) the rate(s) of retirement among Postal Service employee groups corresponding to those making up the 28 percent and 21 percent cited in lines 9-10, and (β) the rate(s) of retirement among Postal Service employees in general.

(c) Please refer also to page 18, lines 13-14, of your prefiled testimony. To what Fiscal Years does the phrase "the last several years" in line 13 refer?

RESPONSE:

(a) The age/tenure profile of postal employees skews heavily toward an older and more seasoned workforce, suggesting the potential for significant attrition.

(b) (i) Please see the chart below:

FY	Optionally Eligible			VER Eligible		
	Eligible	Retired	% Retired	Eligible	Retired	% Retired
2005	134,238	18,139	13.5%	138,424	1,928	1.4%
2006	141,441	17,952	12.7%	138,459	474	0.3%
2007	151,832	18,626	12.3%	136,890	57	0.0%
2008	163,443	19,312	11.8%	134,564	160	0.1%
2009	172,926	22,457	13.0%	132,996	9,679	7.3%
2010	177,728	28,343	15.9%	122,091	2,384	2.0%
2011	177,251	20,090	11.3%	116,085	796	0.7%

Notes: 1) Eligible = On rolls beginning FY and were eligible or became eligible during the FY.

2) Retired = From the eligible, those who retired.

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(ii) No such information is available.

(C) Please be advised that a correction to page 18, line 14, of my testimony is being filed today. Over the past five years, voluntary career attrition (including retirements) has been as follows:

<u>FY 2007</u>	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
<u>4.7%</u>	<u>4.5%</u>	<u>6.1%</u>	<u>6.4%</u>	<u>4.9%</u>

The percentages for fiscal years 2009 through 2011 were augmented to some degree by the availability of incentives for certain groups.

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GCA/USPS-T8-4. Please refer to page 18, lines 5-7, of your prefiled testimony. Please define the phrase "the full workforce savings" as used at that page and line location.

RESPONSE:

The phrase "workforce savings" is intended to refer to any savings attributable to the estimated reduction in the postal workforce due to network rationalization. The adjective "full," in the context of my testimony on page 18, lines 5-7, means the total savings that could be achieved when the implementation of network rationalization is complete.

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GCA/USPS-T8-5. Please provide copies of the American Postal Workers Union and National Postal Mail Handlers Union collective bargaining agreements referred to on page 6 of your prefiled testimony, together with all currently effective Memoranda of Understanding applicable to those contracts.

RESPONSE:

The responsive documents are contained in library reference USPS-LR-N2012-1/63.