

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

MAIL PROCESSING NETWORK RATIONALIZATION
SERVICE CHANGES, 2011

Docket No. N2012-1

**RESPONSES OF UNITED STATES POSTAL SERVICE
WITNESS EMILY ROSENBERG
TO AMERICAN POSTAL WORKERS UNION INTERROGATORIES
APWU/USPS-T3-20 AND 21(a)**

The United States Postal Service hereby files the responses of witness Emily Rosenberg to the above-listed interrogatories of the Public Representative dated February 2 and 7, 2012, respectively. Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS ROSENBERG
TO AMERICAN POSTAL WORKERS UNION INTERROGATORY**

APWU/USPS-T3-20 Please refer to your response to PR/USPS-T3-6(a), filed January 5, 2012, which states

As for the LogicNet model, at the time of [sic] the model was run, the Postal Service utilized a set list of facilities to choose from, as described in my testimony.

Had the Postal Service excluded facilities that were subsequently shut down as part of the AMP process as detailed in the June 2008 Network Plan, the model would not have been allowed to select those facilities as remaining nodes. Please confirm that this statement means the LogicNet model run did not assume facilities "subsequently shut down" as part of the June 2008 Network Plan's AMP Process were actually shut down. In other words, the LogicNet Model run was allowed to select as remaining nodes facilities that had been shut down as part of the June 2008 AMP process. If you do not confirm these interpretations, please clarify your PR/USPS-T3-6a response.

RESPONSE

Not confirmed. Some of the facilities included in the June 2008 Network Plan's AMP process were closed, but not all. The facilities excluded from the LogicNet analysis were facilities on the SCF label list that had no workload and no equipment in the facility at the time of modeling. In addition, processing facilities that were active in the AMP process were also forced closed to ensure the results aligned with on-going organization decisions.

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APWU/USPS-T3-21 Please refer to APWU-USPS-T3-19 which asked “What led you to conclude that the relaxation of current service standards was the only way to reduce unused” equipment capacity? Your response (filed January 5, 2012) states:

There is limited ability to increase the utilization of equipment without expanding the operating window. The operating windows, under current service standards, cannot be expanded without encroaching on the operating windows of downstream sortation, transportation, or delivery.

- a. Please confirm that your answer here asserts the view that only way the Postal Service can increase mail processing equipment utilization is by expanding mail processing operating windows, which can only be accomplished through relaxing current service standards, as proposed in the Network Rationalization plan. If not confirmed, please explain.
- b. Please refer to OIG Audit Report EN-AR-12-001, which is included in USPS LR-N2012-1/42. At page 11, this Audit Report states the following regarding the transfer of originating mail operations from the Flint, MI P&DC to the Michigan Metroplex P&DC:

On September 22, 2009, the Postal Service completed the transfer of Flint’s P&DC originating mail operations to the Michigan Metroplex P&DC. The final post implementation review was completed and signed on May 23, 2011 showing a total annual saving of \$2,292,466. The majority of the savings were due to workhour reductions.

- i) Do you agree that the Postal Service’s May 23, 2011 final post implementation AMP review of the transfer of Flint P&DC originating mail operations to Michigan Metroplex P&DC reported annual savings of close to \$2.3 million? If you do not agree, please indicate what you believe is the correct annual savings reported by the May 23, 2011 post implementation review.
- ii) Do you agree with the Audit Report’s conclusion that the “majority of the savings” resulting from the transfer of Flint P&DC originating mail operations to the Michigan Metroplex P&DC “were due to workhour reductions.” If you do not agree, please explain. In particular, please indicate in your explanation whether you do not agree with this Audit Report conclusion because you do not believe the transfer of operations achieved any significant savings; or whether you do not agree because you believe the transfer did achieve savings, but due to factors other than workhour reduction.

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APWU/USPS-T3-21 (continued)

- iii) If you agree that the transfer of Flint P&DC originating mail operations to Michigan Metroplex P&DC achieved substantial savings “due to workhour reductions;” or achieved significant savings due to other factors, did the achievement of these workhour reduction or other cost-saving changes require expansion in the operating-window time periods for any mail processing operations conducted at the Michigan Metroplex P&DC? If so, please explain which operations required increases in their operating windows, and the extent of such increases.
- iv) If you agree that the transfer of Flint P&DC originating mail operations to Michigan Metroplex P&DC achieved substantial savings “due to workhour reductions;” or achieved significant savings due to other factors, to what extent were First-Class Mail service standards or other service standards applicable to turn-around mail and non-turn-around mail originating from or destinating to the Flint and Michigan Metroplex service areas reduced or otherwise modified in order to achieve the workhour-reduction or other cost savings? If service standards were not reduced, please explain how the transfer of operations from Flint P&DC to Michigan Metroplex P&DC accomplished the reported workhour-reduction and/or other cost savings.

RESPONSE

- a. Not confirmed, the third word of the statement is "limited". I utilized the term limited, because, while we believe there may be additional consolidation opportunities available, they are limited, and will not lead to the type of consolidation and savings opportunities as outlined in the MPNR.
- b. [Redirected to the Postal Service for an institutional for response]