

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

**MAIL PROCESSING NETWORK
RATIONALIZATION SERVICE CHANGES, 2012**

Docket No. N2012-1

**INTERROGATORIES OF THE AMERICAN POSTAL WORKERS UNION, AFL-CIO
TO USPS WITNESS CHERYL D. MARTIN
(APWU/USPS-T6-7-11)
(February 24, 2012)**

Pursuant to Rules 25 through 28 of the Rules of Practice, American Postal Workers Union, AFL-CIO directs the following interrogatories to United States Postal Service witness Cheryl D. Martin (USPS-T-6). If the witness is unable to respond to any interrogatory, APWU requests that a response be provided by an appropriate person capable of providing an answer.

Instructions and Definitions applicable to these Interrogatories are contained in the Interrogatories of the American Postal Workers Union, AFL-CIO to the United States Postal Service witness David E. Williams (APWU/USPS-T1-1-4), filed on December 22, 2011, and are hereby incorporated by reference.

Respectfully submitted,

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Jennifer L. Wood
Counsel for American Postal Workers Union, AFL-CIO

APWU/USPS-T6-7 Page 17 of USPS Witness Williams' testimony allows for potential 3-digit zip to 3-digit ZIP Code changes to service standards based on the reconfiguration of the network.

- a) For any given customer shipping parcels, in any of the parcel sub-categories of mail within the network, will there be circumstances where, due to plant closures, the total transit distance for parcels flowing through the system may increase significantly from origin to destination?
- b) If so, has an analysis been done to calculate the percentage of volume in each parcel sub-category which may be affected?
- c) If this analysis was conducted, what are the percentages of volume expected to be affected?
- d) Is Priority mail, both flats and parcels, expected to be affected in the same way?
- e) If so, what percentage of Priority mail would be affected?

APWU/USPS-T6-8 On pages 14-15 of your testimony you indicate that there is an expected cost increase in air transportation costs due to the need to fly more First Class Mail in the network to maintain at least a 3 day service standard for First Class Mail.

- a) Does this increase in air transport cost include anticipated costs for other categories of mail and specifically parcel sub-categories in each class of mail?
- b) If so, how much extra cost is attributed to the parcel sub-categories?
- c) Does the expected increase in air transport cost include anticipated new costs for Priority mail and Express mail?
- d) If so, how much extra cost is attributed to Priority and Express?
- e) In the various mail sub-categories for parcels and for Priority and Express Mail, how much volume, before the plant reconfiguration, and then how much additional volume after the plant reconfiguration, as a percentage of total volume in each of the same sub-categories and/or classes, is planned to use air transportation?

APWU/USPS-T6-9 On February 23, 2012 it was reported that USPS has completed the AMP process at nearly all of the identified facilities. As a result, the USPS must now possess significantly more detailed information regarding cost savings estimates and the likely future network.

- a) What are the cost savings reported from the completed AMP process for each of the major parcel sub-categories for the plants planned to be closed?
- b) What are the cost increases projected for the remaining plants which will assume the processing of the mail volume, including the parcel sub-categories and the Priority and Express mail volumes?
- c) What are the planned changes to the CET and CT times for each class of mail, each parcel sub-category of mail, and for Priority and Express mail for the remaining plants in the system?
- d) How will those changes in the CET and CT times affect the planned service standards for the parcel sub-categories and Priority and Express mail for each of

- the remaining plants in the network? What percentage of volume in each parcel sub-category will be affected by the changes?
- e) What percentage of volume by each parcel sub-category, including Priority Mail and Express Mail, will experience a change in operating plan as a result of the AMP analyses completed? Specifically, what percentage of volume for each parcel sub-category will experience a change in processing locations based on current volume distributions?

APWU/USPS-T6-10 Please explain the rules that the Postal Service applies to determine which outgoing mail is to be transported from origin facility to destination facility via surface transportation, and which mail is to be transported from origin to destination facility via air transportation. Please include in this explanation a description of:

- a) All relevant origin-to-destination facility mileage thresholds, by mail product, at or below which surface transportation is chosen, and above which air transportation is chosen.
- b) The air transportation rules or guidelines that determine, by mail product, which type of air transportation mode – FedEx Day, FedEx Night, other commercial, etc. – is to be used.
- c) With respect to mail to be transported by FedEx Day or FedEx Night air contracts, the rules determining whether the Postal Service or Postal Service contractors deliver the mail to FedEx air facility locations, or whether FedEx picks up this mail from Postal Service processing facilities or other Postal Service locations.
- d) The rules determining whether the mail is picked up by the Postal Service from FedEx's destination air facilities; or whether FedEx transports the mail directly to a destinating Postal Service facility.

APWU/USPS-T6-11. Please identify the costs per lb or costs per lb-mile that the Postal Service pays to FedEx for transporting mail via FedEx Day air transportation, and via FedEx Night air transportation.

- a) If neither pricing rate suggested above (cost per lb; cost per lb-mile) is used, please provide detailed descriptions of the formulas used for costing transportation by FedEx.