



BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Mail Processing Network Rationalization  
Service Changes, 2012

Docket No. N2012-1

DESIGNATION OF WRITTEN CROSS-EXAMINATION  
OF UNITED STATES POSTAL SERVICE

<u>Party</u>	<u>Interrogatories</u>
Greeting Card Association	GCA/USPS-1-2, 5 GCA/USPS-T3-4, 6, 30 redirected to USPS
National Postal Mail Handlers Union	APWU/USPS-3-6 APWU/USPS-T1-4 redirected to USPS CNO/USPS-1, 3 DBP/USPS-2, 44 DFC/USPS-T4-4 redirected to USPS GCA/USPS-4 NPMHU/USPS-T5-1 redirected to USPS NPMHU/USPS-T7-1 redirected to USPS PRC/USPS-POIR No.1 - Q22 PRC/USPS-T8-POIR No.5 - Q20 redirected to USPS
National Postal Policy Council, Inc.	APWU/USPS-T1-4 redirected to USPS APWU/USPS-T4-18 redirected to USPS DBP/USPS-2-3 GCA/USPS-4
Postal Regulatory Commission	APWU/USPS-T6-3-4 redirected to USPS APWU/USPS-T8-1-2 redirected to USPS NPMHU/USPS-T8-8-9 redirected to USPS PR/USPS-T8-1-3 redirected to USPS PRC/USPS-POIR No.1 - Q22 PRC/USPS-T1-POIR No.1 - Q4 redirected to USPS PRC/USPS-T4-POIR No.4 - Q4 redirected to USPS PRC/USPS-T8-POIR No.4 - Q9 redirected to USPS PRC/USPS-T8-POIR No.5 - Q20 redirected to USPS

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Public Representative

Interrogatories

APWU/USPS-3-6

DBP/USPS-2-3, 6, 8, 10

GCA/USPS-1-5

NPMHU/USPS-T8-3-4, 6, 8-9, 11-12 redirected to USPS

PR/USPS-2

Respectfully submitted,



Shoshana M. Grove  
Secretary

INTERROGATORY RESPONSES OF  
UNITED STATES POSTAL SERVICE  
DESIGNATED AS WRITTEN CROSS-EXAMINATION

Interrogatory

Designating Parties

APWU/USPS-3	NPMHU, PR
APWU/USPS-4	NPMHU, PR
APWU/USPS-5	NPMHU, PR
APWU/USPS-6	NPMHU, PR
APWU/USPS-T1-4 redirected to USPS	NPMHU, NPPC
APWU/USPS-T4-18 redirected to USPS	NPPC
APWU/USPS-T6-3 redirected to USPS	PRC
APWU/USPS-T6-4 redirected to USPS	PRC
APWU/USPS-T8-1 redirected to USPS	PRC
APWU/USPS-T8-2 redirected to USPS	PRC
CNO/USPS-1	NPMHU
CNO/USPS-3	NPMHU
DBP/USPS-2	NPMHU, NPPC, PR
DBP/USPS-3	NPPC, PR
DBP/USPS-6	PR
DBP/USPS-8	PR
DBP/USPS-10	PR
DBP/USPS-44	NPMHU
DFC/USPS-T4-4 redirected to USPS	NPMHU
GCA/USPS-1	GCA, PR
GCA/USPS-2	GCA, PR
GCA/USPS-3	PR
GCA/USPS-4	NPMHU, NPPC, PR
GCA/USPS-5	GCA, PR
GCA/USPS-T3-4 redirected to USPS	GCA
GCA/USPS-T3-6 redirected to USPS	GCA
GCA/USPS-T3-30 redirected to USPS	GCA
NPMHU/USPS-T5-1 redirected to USPS	NPMHU
NPMHU/USPS-T7-1 redirected to USPS	NPMHU
NPMHU/USPS-T8-3 redirected to USPS	PR
NPMHU/USPS-T8-4 redirected to USPS	PR
NPMHU/USPS-T8-6 redirected to USPS	PR

InterrogatoryDesignating Parties

NPMHU/USPS-T8-8 redirected to USPS	PR, PRC
NPMHU/USPS-T8-9 redirected to USPS	PR, PRC
NPMHU/USPS-T8-11 redirected to USPS	PR
NPMHU/USPS-T8-12 redirected to USPS	PR
PR/USPS-2	PR
PR/USPS-T8-1 redirected to USPS	PRC
PR/USPS-T8-2 redirected to USPS	PRC
PR/USPS-T8-3 redirected to USPS	PRC
PRC/USPS-POIR No.1 - Q22	NPMHU, PRC
PRC/USPS-T1-POIR No.1 - Q4 redirected to USPS	PRC
PRC/USPS-T4-POIR No.4 - Q4 redirected to USPS	PRC
PRC/USPS-T8-POIR No.4 - Q9 redirected to USPS	PRC
PRC/USPS-T8-POIR No.5 - Q20 redirected to USPS	NPMHU, PRC

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

**APWU/USPS-3** Has anyone at USPS evaluated the combined impact on customer service of the proposed closings resulting from network rationalization combined with the impacts on customer service from instituting the proposed changes from Docket No. N2010-1, Six-Day to Five-Day Street Delivery and Related Changes? If so, please identify, by name and title, who within the Postal Service conducted this evaluation and describe the analysis, summarize its results and provide all documents related to this evaluation and conclusions

**RESPONSE**

No. But see the response to APWU/USPS-5.

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

**APWU/USPS-4** Has anyone at USPS evaluated combined impact on customer service of the proposed closings resulting from network rationalization combined with the impacts on customer service from instituting the proposed changes from Docket No. N2011-1, Retail Optimization Initiative, 2011. If so, please identify, by name and title, who within the Postal Service conducted this evaluation and describe the analysis, summarize its results and provide all documents related to this evaluation and conclusions.

**RESPONSE**

No. But see the response to APWU/USPS-5.

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

**APWU/USPS-5** Has anyone at USPS conducted analysis of the potential combined revenue losses and other impacts resulting from instituting all the proposed changes in Docket Nos. N2010-1, N2011-1, and N2012-1? If so, please identify, by name and title, who within the Postal Service, conducted this evaluation and describe the analysis, summarize its results and provide all documents related to this evaluation and conclusions.

**RESPONSE**

To the extent any such research or analysis has been undertaken, see the response to DFC/USPS-T12-9, which also points to library references USPS-LR-N2012-1/70 and USPS-LR-N2012-1/NP14. That research was abandoned before completion, with the result that no analysis of its preliminary quantitative results was pursued. The quantitative research addressed and analyzed by witnesses Elmore-Yalch (USPS-T-11) and Whiteman (USPS-T-12) was pursued instead.

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

**APWU/USPS-6** Has anyone at USPS conducted analysis of the impact of the proposed changes in this docket and corresponding service standard changes and the exigent rate increase sought in R2010-4? If so, please identify, by name and title, who within the Postal Service conducted this analysis, describe the analysis, summarize its results and provide all documents related to this analysis and conclusions.

**RESPONSE**

No. But see the response to APWU/USPS-5.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO AMERICAN POSTAL WORKERS UNION INTERROGATORY  
REDIRECTED FROM WITNESS WILLIAMS**

**APWU/USPS-T1-4** On page 9 of your testimony you indicate that the fundamental realignment of the mail processing network is being planned to "utilize capital assets and personnel more efficiently over the long-run." How much redundancy are you planning for this system in order to provide Postal Service customers with "delivery reliability, speed and frequency consistent with reasonable rates and best business practices."

**RESPONSE**

The language quoted at the end of the question reflects one of the objectives in section 3691 that market dominant product service standards shall be designed to achieve. Accordingly, your attention is invited to the institutional response to APWU/USPS-T1-3(d). The Postal Service does not interpret section 3691 as governing the configuration of mail processing operations or any degree of redundancy therein.

The future mail processing network is being designed to ensure that sufficient equipment is on hand to process 95th percentile volumes within applicable operating windows. Given that mail volumes are generally below that level on most days and anticipated to decline over time, excess mail processing capacity will vary, but is expected to be available after the network is consolidated. Manual processing is expected to be employed when mail volumes exceed the capacity of available equipment. Available capacity is expected to be sufficient to meet operating goals

**INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO AMERICAN POSTAL WORKERS UNION INTERROGATORIES  
REDIRECTED FROM WITNESS NERI**

**APWU/USPS-T4-18** Did the Postal Service consider the expeditious collection, transportation and delivery of important letter mail in the development of the current proposal? If so, how was this considered?

**RESPONSE**

All letters in the mail are "important" in some subjective sense to their senders, to their recipients and to the Postal Service. The Postal Service does not consider that it should classify mail within a particular class or product as being more "important" than other mail within that same class or product. However, in order for the word "important" to serve a purpose other than adornment in 39 U.S.C. § 101(e) and (f), it must be used in a manner that objectively distinguishes among letters. This must be the case for First-Class Mail, which is dominated by mail pieces that are presumed to include letters sealed against inspection, making the contents unknown to the Postal Service. It is also must be the case for Standard Mail, whose senders depend just as much on the Postal Service but generally desire less expeditious delivery.

Recognizing that all letters are, in some subjective sense, important, the Postal Service does not interpret subsections 101(e) and (f) as imbuing all letters with the importance alluded to by those provisions. For purposes of these sections, the Postal Service regards as "important" those letters on which senders or recipients place such emphasis that they seek and pay for expedited delivery. Over time, senders have done so by seizing upon the delivery service advantages offered by Priority Mail and Express Mail. In other cases, recipients utilize Caller Service to expedite their access to incoming letters.

**INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO AMERICAN POSTAL WORKERS UNION INTERROGATORIES  
REDIRECTED FROM WITNESS NERI**

In many circumstances, First-Class Mail users have considered that product's service levels to be sufficient for the transmission of letters they subjectively deem to be important. The same has been true for traditional Standard Mail users who sometimes deem particular mail pieces to be of such importance as to be worth the expenditure of First-Class Mail postage in order to upgrade to First-Class Mail service.

As First-Class Mail service standards are adjusted for purposes of the future network, mailers who prefer First-Class Mail for the delivery of letters they subjectively deem important may have to adjust their mailing practices in order for some letters to be delivered in time to meet certain expectations. For single-piece First-Class Mail users, it may mean mailing a letter on Monday instead of Tuesday in order to preserve a Wednesday delivery expectation, for example. For Presort First-Class Mail users seeking to preserve that same Wednesday delivery expectation, it also may mean mailing on Monday instead of Tuesday, or mailing earlier on Tuesday than is currently necessary to obtain Wednesday delivery. In some cases where mailing earlier is not an option, it may mean considering the use of an expedited service on that Tuesday.

The Postal Service expects to retain its current methods for expeditious collection, transportation and delivery of letters and does not intend to propose changes to the service standard day ranges for the products that serve as

**INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO AMERICAN POSTAL WORKERS UNION INTERROGATORIES  
REDIRECTED FROM WITNESS NERI**

channels for expedited delivery. It also is preserving the current benefits of  
Caller Service.

**INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO AMERICAN POSTAL WORKERS UNION, AFL-CIO INTERROGATORY,  
REDIRECTED FROM WITNESS MARTIN**

**APWU/USPS-T6-3.** What are the operating rules on the co-loading of different classes of mail on transportation among the network plants?

- a) Can and do sub-categories of parcel mail get co-loaded at any given time in the network?
- b) Specifically, are other sub-categories of parcels co-loaded in the current operations with FCM parcels?
- c) What operating rules exist, if any, for co-loading competitive parcel products with market dominant classes of mail, and specifically the parcel sub-categories of market dominant mail classes?
- d) What percentages of each sub-category of parcels are co-loaded in the current operations?
- e) Specifically, what percentage of Priority mail parcels is co-loaded with other classes of mail or parcels in the current operations?

**RESPONSE:**

- (a) Yes.
- (b) Yes.
- (c) There are no rules related to the co-loading of various products. When the service standards for products are in alignment and transportation capacity is available, co-loading is performed.
- (d) The Postal Service currently does not have such estimates.
- (e) The Postal Service currently does not have such estimates.

**INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO AMERICAN POSTAL WORKERS UNION, AFL-CIO INTERROGATORY,  
REDIRECTED FROM WITNESS MARTIN**

**APWU/USPS-T6-4.** For those market-dominant classes of mail and specifically the subcategories of parcels for which the testimony says there will be no changes in service standards, will there be changes to CET times for induction of the mail into the network?

**RESPONSE:**

Interrogatory APWU/USPS-T6-4 does not identify the portion of my testimony or the testimony of another witness upon which the interrogatory is based.

Therefore, only a general response can be provided. The Postal Service does not anticipate changes to the CET times for induction of mail into the network for these products.

**INSTITUTIONAL RESPONSES OF UNITED STATES POSTAL SERVICE  
TO AMERICAN POSTAL WORKERS UNION INTERROGATORIES,  
REDIRECTED FROM WITNESS RACHEL**

**APWU/USPS-T8-1.** As a result of excessing or the reassignment of employees because of programs like AMP studies, how many employees are now in a protected salary rate?

**RESPONSE:**

It is not possible to determine the number of employees with a protected salary rate as the result of specific program impacts, such as an AMP study. However, as of January 31, 2012, the following career employees have rate retention as follows:

Protected Rate – 606

Saved Rate – 2,342

Saved Grade – 12,579

The terms "Protected Rate," "Saved Rate," and "Saved Grade" are defined below:

Protected Rate – An employee assigned to a lower-grade position with a protected rate is paid the wage he or she received in his or her previous, higher-grade position, augmented by any general increases, for a period of two years from the effective date of the Personnel Action.

Saved Rate – An employee with saved rate continues to be paid the wage received in the previous, higher-grade position, augmented by any general increases occurring while the saved rate is in effect. A saved rate differs from a protected rate in that it continues for an indefinite period. For career bargaining unit employees, saved salary is used only during rehabilitation assignments. The saved rate for career nonbargaining

INSTITUTIONAL RESPONSES OF UNITED STATES POSTAL SERVICE  
TO AMERICAN POSTAL WORKERS UNION INTERROGATORIES,  
REDIRECTED FROM WITNESS RACHEL

RESPONSE TO APWU/USPS-T8-1 (CONT.):

unit employees is not limited to rehabilitation assignments, but expires after two years from the effective date of the Personnel Action.

Saved Grade – An employee with a saved grade continues to receive step increases in the saved grade. The saved grade for bargaining unit employees is in effect for an indefinite period of time as long as the employee bids or applies for all vacant jobs in the saved grade for which he or she is qualified. Under previous postal policy, a nonbargaining unit employee's saved grade status could be indefinite. Under the current policy, the employee's saved grade status will expire after two years from the effective date of the Personnel Action. Whether an employee is subject to the previous policy or the current policy depends on the implementation date of the employee's personnel action.

**INSTITUTIONAL RESPONSES OF UNITED STATES POSTAL SERVICE  
TO AMERICAN POSTAL WORKERS UNION INTERROGATORIES,  
REDIRECTED FROM WITNESS RACHÉL**

**APWU/USPS-T8-2.** When a mail processing facility closes and employees must be relocated, what is the average transfer benefit costs for the relocation?

**RESPONSE:**

From January 1, 2011, to September 30, 2011, the average relocation cost for a bargaining employee was \$5,831.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO CITY OF NEW ORLEANS INTERROGATORY**

**CNO/USPS-1:** Please refer to page 34 of USPS-T-3, row 333 of the spreadsheet provided in USPS Library Reference N2012-1/34, and the September 15 "study list."

- (a) Please confirm that the New Orleans Processing and Distribution Facility was identified as an activated facility in witness Rosenberg's model. If not confirmed, please explain fully.
- (b) Please provide technical and plain English definitions of "activated facility" as used in witness Rosenberg's testimony.
- (c) Please confirm that the New Orleans Processing and Distribution Facility was identified as a "study site" on the September 15 study list.
- (d) Please identify all facilities that were both (i) identified as activated facilities in witness Rosenberg's model and (ii) on the September 15 study list.
- (e) Please explain fully why the Postal Service decided to include the New Orleans Processing and Distribution Facility as a study site on the September 15 study list despite being identified as an activated facility in witness Rosenberg's model. In particular, please identify:
  - (i) all employees involved in making the decision;
  - (ii) the date the decision was made; and (iii) the rationale for the decision.

**RESPONSE:**

- (a) Confirmed.
- (b) "Activated facility" means ZIP Codes were assigned to the mail processing site. Thus the active facility would have mail processing responsibilities in the preliminary network concept produced by the model.
- (c) Confirmed.
- (d) The sites listed below meet the following two criteria:
  - (1) In USPS Library Reference N2012-1/34, Column F equals "Y" and
  - (2) Included on the September 15<sup>th</sup> list as being studied as closures.

South Jersey NJ P&DC  
Brooklyn NY P&DC  
Northern NJ Metro P&DC  
Middlesex Essex MA P&DC

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO CITY OF NEW ORLEANS INTERROGATORY

RESPONSE to CNO/USPS-T3-1 (continued)

Central Mass MA P&DC  
Western Nassau NY P&DC  
Northwest Boston MA P&DF  
White River Junction VT P&DC  
New Orleans LA P&DC

- (e) See pages 19-20 of USPS-T-3, which explain that witness Rosenberg's modeling was only intended to create a hypothetical network concept that would serve as a starting point from which postal Headquarters and Area office mail processing and transportation management experts would discuss the potential feasibility of consolidating different Processing & Distribution Centers in each administrative Area. Based on their collective judgment, expertise and knowledge of network and local operations, they used witness Rosenberg's modeling outputs to determine which potential consolidation opportunities to subject to the detailed feasibility review process reflected in the Area Mail Processing guidelines in USPS Handbook PO-408. These consolidation candidate determinations resulted from teleconferences conducted in July 2011. Headquarters participants would have included the Vice President of Network Operations and various subordinate mail processing and transportation managers who either participated directly or were consulted. Area Office participants would have included the Area Vice President and various subordinate mail processing and transportation managers who either participated directly or were consulted. As deemed necessary, some consultations also extended to include District level management officials.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO CITY OF NEW ORLEANS INTERROGATORY**

**CNO/USPS-3**

For each study identified in CNO/USPS-2 above, please identify and describe: Factor(s) that may have contributed to the decision to study the New Orleans Processing and Distribution Facility;

- (a) Results of the study;
- (b) Whether the study considered consolidating or closing the facility with respect to originating mail, destinating mail, or both;
- (c) Any data or analysis that may suggest that the New Orleans Processing and Distribution Facility should not be consolidated or closed;
- (d) Whether and to what extent the study considered and/or analyzed the cost of relocating existing retail and business services located within the New Orleans Processing and Distribution Facility; and
- (e) Projected or estimated cost savings that may be realized by closing or consolidating the New Orleans Processing and Distribution Facility, if any.
- (f) Key assumptions used to estimate the cost savings that may be realized by closing or consolidating the New Orleans Processing and Distribution Facility.
- (g) All assumptions regarding expected changes in productivity that would result from closing or consolidating the New Orleans Processing and Distribution Facility.

**RESPONSE**

The factors that contributed to the decision to study the New Orleans P&DF are those that led the Postal Service to examine consolidation of the mail processing network as a basis for implementing the service changes at issue in this docket. See, generally, USPS-T-1 and USPS-T-2.

- (a) A redacted copy of the New Orleans AMP decision package is included in USPS Library Reference N2012-1/73. An unredacted copy is included in USPS Library Reference N2012-1/NP16. Results are reflected therein.
- (b) The study analyzed a complete consolidation of the facility.
- (c) The Postal Service solicited and received public comments suggesting that the facility not be closed. Some of those comments could be characterized as including data. They were reviewed and considered as part of the AMP decision-making process. Summaries are attached.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO CITY OF NEW ORLEANS INTERROGATORY

RESPONSE to CNO/USPS-3 (continued)

- (d) It is assumed that the question relates to retail service or bulk mail entry operations at the New Orleans P&DF.
- (e-f) See the Library References cited in response to subpart (a).
- (g) In addition to the discussion of expected productivity improvements in USPS-T-4, see the New Orleans P&DF AMP file in the Library References cited in response to part (a).

Attachment to Response to CNO/USPS-3

**NEW ORLEANS AMP Proposal  
Public Input Summary**

**Meeting Date:** November 8, 2011

**Location:** City Hall, New Orleans, LA

**USPS Presenter(s):** Jeffery Taylor, District Manager;  
Gilbert Romero, Acting Senior Plant Manager  
McKinney Boyd, Communication Programs. Spec.

**Number of Attendees:** 137

**Congressional Representation:** 2

**Media:** 4 television stations, 1 newspaper

**CATEGORIES OF COMMENTS** *(indicate number of questions/comments by category)*

	Public Meeting	Written Comment
<b>Service/Customer</b>		
Collection Time Changes	x	
Customer Service Problems	x	
Delays in Service	x	
Increased Costs	x	
BMEU Entry Location/Bulk Rates	x	
Weather/Road Impact	x	
<b>Community/Political</b>		
Biohazard Threat		
Crossing State Lines		
Community Economic Impact	x	
Job Loss	x	
Loss of Postmark	x	
<b>AMP Process</b>		
Lack of Trust/Credibility	x	
Lack of Public Input	x	
Public Release of AMP Data	x	
<b>Other</b>	x	

## New Orleans AMP Proposal Public Input Summary

**SPECIFIC CONCERNS** *(Use this format to list specific concerns voiced at the public meeting, by category. Please list every unique question or comment. See attached comments.)*

### Service/Customer

#### Collection Time Changes

- If you move from New Orleans, you will decrease the cost advantage. New Orleans moves 55% of all cargo in the state.
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- 

#### Customer Service Problems

- Customers complain about not being able to buy one stamp since the vending machines were removed.
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#### Delays in Service

- What the Postal Service is doing flies in the face of progress being made by public entities and private enterprises.
- 
- 

#### Increased Costs

- The travel to Baton Rouge creates a hardship. It takes four hours on a bus, or you pay extravagant costs for fuel, or wear on your car. She will punch in wherever she has to, but she doesn't need another disaster after a disaster.
- 
- 

#### BMEU Entry Location/Bulk Rates

- As business customers, will we have to drop-off our mail in Baton Rouge, to get the same discount rates?
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- 

#### Weather/Road Impact

- There is one way to Baton Rouge, and one way back to New Orleans, and that is Interstate 10. When there is bad weather, what will happen to mail delivery?
- 
- 

### Community/Political

**Biohazard Threat**

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- 
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**Crossing State Lines**

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**Community Economic Impact**

- The USPS needs to make a commitment to stay and keep the post office here and keep the jobs here.
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- 

**Job Loss**

- New Orleans Mayor said he wants to protect 880 postal jobs, and will do whatever to preserve the postal employment in New Orleans.
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**Loss of Postmark**

- This is New Orleans. We want to continue to be represented as major city in the United States.
- 
- 

**AMP Process****Lack of Trust/Credibility**

- I don't trust the Postal Service, nor do I trust this study, and what it will represent to the people of New Orleans.
- 
- 

**Lack of Public Input**

- Will our input make a difference to the decision-makers in Washington?
- 
- 

**Public Release of AMP Data**

- When will be able to see the data, that was used to move the New Orleans plant to Baton Rouge?
- 
-

**Other**

- More than 40 local dignitaries delivered statements at the Public Input Meeting; many were about the adverse impact New Orleans will experience, if the plant is moved to Baton Rouge.
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**Please attach to this summary all written comments, whether received before or after the public meeting, along with a copy of all Public Input Summary Sheets and send to the Area AMP Coordinator to give to the Area VP.**



## ***New Orleans P&DC – Public Meeting***

November 8, 2011

### **I. Call to order**

Meeting was called to order at 6:02 p.m. in the City Council Chambers of the New Orleans City Council. There were 320 persons in attendance.

### **II. Welcome**

Mayor Mitch Landrieu welcomed and thanked everyone present for coming to discuss this important issue. He stated that, as this is not just a city, but a regional issue he would like to thank the John Young from Jefferson Parish and others who had come to give their input. He stated that the issues affecting Avondale, NASA, and USPS were about the region. He said that we are one team, and this is one fight. He reported that he had met with Mr. Taylor and Mr. Swartz and acknowledged that we are facing the same tough issues that the rest of the country is facing.

Landrieu stated that Mayors and Parish Presidents balance their budgets all the time, so he understands what the USPS is facing. However, our story – that of the Metropolitan area of New Orleans – is one that very few places in the country have experienced. The catastrophic losses: the impact of September 11 on tourism, Hurricanes Katrina, Rita, Ike and Gustav, the BP oil spill, loss of NASA. But New Orleanians are resilient. They have rebuilt their lives and have been an example to the rest of the country. The metropolitan area has partnered with the government to rebuild the region's infrastructure. We have spent hundreds of millions of dollars to rebuild our city. The NO P&DC is in the heart of a major economic development renovation. A \$45 million rail car expansion is being built at the very site of the plant. The Hyatt Regency adjacent is the newest renovated in the country. It is across the street from the Superdome that has just completed \$300 million in renovations. In scope, 1.8 million people live in a 50 mile radius around the PO – this has got to be the best place for processing.

New Orleans has partnered with Jefferson Parish and Kenner for a major renovation to the New Orleans' airport. A new terminal has just been added and also added 10 new passenger carriers and 37 additional non-stop flights. This is reminiscent of the Federal City issue – years ago there was a need to downsize the military, there was a study to close the bases in the NO area. The city government recognized the difficulties the armed services had, and together they have made NO the hub for the armed services premier federal facility. Landrieu said that we can do a similar thing for USPS. He is so serious that he has traveled to Washington, DC to speak to the postal executives so that they can give serious consideration to keeping the P&DC open.

Landrieu stated this is not just about economic development. He wants to protect these 880 jobs and stated that he is willing to do what needs to be done to protect

these citizens' jobs and lives. He believes he can do what the PO needs to be done in order for it to be happy and healthy to deliver the mail on time and have these people keep there jobs.

### **III. Statements from District Manager Jeffery Taylor and Communications Officer McKinney Boyd**

#### **IV. Input from Community**

##### ***1) John Young, Jefferson Parish President***

Mr. Young reminded the group that it is much easier to retain jobs than to create them. He also stated that as NO goes, so goes the region. NO has been through a lot these past 6 years. This city is poised on the road to come back. Each year the area improves. The USPS needs to make a commitment to stay and be part of the growth. Young emphasized that he stands united with the mayor – keep the PO here and keep the jobs here. Flood waters, crime, unemployment, and jobs do not respect parish boundaries. Employees who work in NO live and shop in Jefferson Parish.

##### ***2) Laverne Saulny Osira, statement from Mary Landrieu, Senator***

Landrieu states that she is opposed to the closing and reminds the Postal officials that this decision will affect the entire community and that this meeting is important to have the community's questions answered and their comments heard.

##### ***3) Marlon Gusman, Civil and Criminal Sheriff of New Orleans***

Mr. Gusman stated that he supports keeping the processing facility in New Orleans. He speaks as a man raised in a postal family – his father was a letter carrier and his brother currently works for the postal service. He said that he was looking at the paper on the study to move the PO, but where is the study for the other side – consolidating into New Orleans. He felt that this is not the answer to solving the PO's problems – the real difference is being able to react to changes in the marketplace. In that respect, the postal service is being handcuffed.

##### ***4) Rob Miller, CEO New Orleans Business Alliance***

Mr. Miller stated that he heard the comments and understood that based on the data, the Postal Service is losing \$23 million per day. However, he supports keeping the Processing Center in New Orleans and feels that many factors were overlooked in the study and that given a complete analysis the management would understand why it should stay.

There has been a tremendous amount of investment in the area concerned. It would represent a tremendous loss and would impact the community greatly. There has been great public investment in the area: Streetcar – \$45 million, FEMA – \$5.9 billion in public assistance, the LSU medical/bio complex, Corps of Engineers, \$400 million in CEG funds. What the Postal Service is doing flies in the face of progress being made by public entities and

private enterprises. The Hyatt - \$243 million, right next door, \$185 million – Superdome renovations, \$100 million by the S. White development district.

Removing these jobs will be a real blow to the economy of a community that is coming back strong. Mr. Miller stated that the PO's study says they will save \$4 million. The NO Business Alliance has done it's own analysis:

This move will result in 1343 jobs lost in the area, this equates to \$86 million in direct and indirect earnings for the region. When this many jobs leave, there is a corresponding loss in government, hospitals, offices, lawyers, restaurants (\$500,000) for the entire region. Compared to these losses, \$4 million is peanuts. This population is growing at a phenomenal rate. We ask you to take another look.

**5) Stanley Taylor, Retired Postal Employee**

Mr. Taylor explained that one thing he learned from his military service is that you don't leave a man on the battlefield. He feels that the PO is leaving the employees on the battlefield. The employees came back after Hurricane Katrina and are committed to bringing this city back. The people making these decisions are not from here. The PO has been an employer with good benefits and he would like to see others in the future, such as veterans from Iraq and Afghanistan have a Postal Service job to look forward to. Mr. Taylor remarked that employees in New Orleans also benefit many nonprofits in the area, like CFC and that the Letter Carrier Food Drive here collects more than any other city.

**6) Icthamael Ahmed, Aviation Board Director**

Mr. Ahmed opposes the move to Baton Rouge and stated that he did not feel the airport was considered. He feels that the move is not good for the PO or for Louisiana. The Postal Service is in the business of delivering the mail on time, not in saving money. The airport (MSY) has recently added 10 new passenger airlines. Facilitating cargo is one of the functions of an airport. MSY is Louisiana's biggest airport and 80% of all passengers to LA come through there - along with the significant portion of mail and freight – over 2 million pounds. Therefore, the unit cost of cargo is decreased due to economy. If you move from MSY you will decrease the cost advantage. MSY moves 55% of all cargo in the state. The mail is time sensitive. MSY has 3945 departures per month that is 127 per day. This can help you meet delivery times. The Baton Rouge airport has no cargo area. It handles .0002% of total cargo in LA. Moving to BR will decrease the reach of USPS. The abundance of non-stop flights is not available any other place in LA.

These disadvantages should be considered in the move. These result in a long term lower cost in unit cost per pound because of greater frequency, and more cities served. Mr. Ahmed reports that they have recently improved the ground field. Taking away the plant will result in their loss of grants. The sum of the parts of this situation is greater than the whole. The airport has better visibility (0/0 ratio). The runway is 10,104 feet long and is inspected 5 times per day. No other airport compares in safety and manpower. Mr. Ahmed implored

the USPS to discuss this with NO business people, let him help them. Tell us a number, we want to help.

**7) *Helena Henderson, New Orleans Bar Association***

Ms. Henderson states that the Bar Association is opposed to this closure. New Orleans contains the majority of the courts and lawyers in the state. Lawyers use regular and special services daily and rely on the proximity of the NO office to its offices and the courts. Next day service is crucial to the legal profession. Immediate communications by mail are crucial to the fabric of the legal system – don't unweave that. There are over 21,000 lawyers in the state and over half are in the metropolitan NO area. There are 9,000 downtown alone who rely on next day and daily mail service. "We put a stamp on it!!" "And let me tell you a secret – no one is reading emails. When we want someone to pay attention – we put a stamp on it!" This move will have an impact on the metropolitan New Orleans area for 10 years. The city will suffer. Please contribute to the wellbeing of the city.

**8) *Doug Ruhne, citizen of Jefferson Parish***

Mr. Ruhne reported seeing a letter that a letter carrier wrote to the Times Picayune 10/05/11 describing the results of the Postal Accountability Act of 2006. He cannot believe that everyone is not up in arms demanding its repeal. This is the opposite of good management. This is retrogressive legislation. He cannot believe that it passed. The law should be repealed. Customers do not want the deterioration of the Postal Service – they want it to maintain. Two – three day delivery – no!! It is unbelievable that the Senate and Congress would condone this. Workers need better hours to compete with the other providers. FedEx and UPS stay open until 6:30 and 7:00 p.m. The Post Office closes at 5:00. Get more competitive.

**9) *Matt Rucker, Greater New Orleans, Inc.***

Mr. Rucker represents a regional economic group that serves the Greater New Orleans area. They are opposed to this move and feel that it is directly opposed to every other federal investment in this area. The organization would like to work with USPS to retain and attract business to New Orleans. The population of the city is up 12% from 2006, 41% up in the surrounding areas. Despite the economy, New Orleans is experiencing increases. 40% up in entrepreneurship, the unemployment rate is 2% lower than nationally, there has been a comprehensive public and private investment in the city. Blade Dynamics has moved its headquarters here. Global Site Search – 1200 jobs. (Global Star, Northstar). Folgers closed 4 other sites and chose New Orleans to be the one to grow. NO is #2 in economic growth and has been named the biggest brain magnet. NO is #1 in competitiveness. NO is a growing economy with low costs. We have a culture of cooperation here between public and businesses.

From a private corporation perspective: how can you not invest in this area of growth? Work with us, we can help you solve your issues. This is what we have done in the past and can do for the USPS.

10) *Aubry Watson, retired Manager, Distribution Operations*

Mr. Watson stated that this is the biggest mistake he has ever seen in his 35 years experience as an MDO with the USPS. Mr. Watson stated that the move to Baton Rouge was tried after Katrina and it failed. It was proved that BR cannot handle the mail. He questioned how priority mail will be handled since FedEx cannot fly into BR. He stated that it was common sense to keep the processing in New Orleans where there are 28 bar codes sorters (2X the number in BR) and the plant is within walking distance of the interstate to the airport.

11) *Tiger Hammond, AFL-CIO*

Mr. Hammond first announced that he stands strong with the 880 employees who would be displaced with this move – against taking out the plant. He stated that Avondale has been saved and so can the Postal Service. After Katrina, the city has come back slowly, but the postal workers were here when no one was here, they were on the front line of rebuilding the city with the police and other first responders. The convention center, Superdome, etc., there was nothing but devastation. He shouted: Hell with Baton Rouge, we fought to come back, don't take the plant out! Mr. Hammond suggested that management go back to Congress and get the money back that the PO has paid into future benefits for people who have not even been born yet. He also mentioned that whenever you lose a job, you lose jobs around them. When 5000 jobs were lost, another 1400 jobs were lost around those. New Orleans has suffered devastation after devastation and those who fought so hard to come back don't deserve to lose their jobs now.

12) *James McNamara, BioDistrict New Orleans*

Mr. McNamara first stated that he is a family that uses the PO. He is here to represent a 1500 acre district that contains the VA and University Medical Center. They currently employ 7500 construction workers, 5500 other workers and plan on growing another 20,000 employees when the complex is complete. The mail relies on time sensitivity. He stated that to him the study was done by people far removed from this area that simply looked on a map and drew circles around the cities and realized that Lafayette was one hour from BR and New Orleans was one hour from BR, and then deduced that they both could be moved into Baton Rouge. McNamara then shouted that you cannot draw a circle around New Orleans! He suggested that instead of asking how much you can save – analyze how much you will lose by not being here. Please consider the rebound this will have, and the global interests that are coming here. You can get more traffic into your business if you become more aggressive and competitive.

Throw the circles away! New Orleans is the most significant city in LA and Southern Mississippi. There are 6-7 million visitors to New Orleans each year – you are leaving them for FedEx to serve. McNamara also offered to help anyway that he can to keep USPS here.

13) *Sam Lisbon, National Union Officer, APWU*

Mr. Lisbon said first that he is proud to be Postal and he would like to work together with management to find a way to work together so that we don't have to move the plant. In the negotiating the new contract, the union met the company halfway to save the Postal Service. We can do that here also. He stated that the other plants mentioned by Mr. Taylor – Lafayette, Texarkana – are smaller areas than New Orleans. Another point he emphasized was that nothing is being saved since there are currently employees from these facilities sitting on standby – being paid for not working because they cannot be excessed over 50 miles. Many more will be on standby pay if this is implemented, therefore there will be no savings. These are proud postal employees who want to be working, but won't because you cannot forcibly move them more than 50 miles – and Baton Rouge is over 50 miles. Mr. Lisbon reminded the audience that the PO does not receive tax dollars - all revenue is from postage. He feels that we should repeal HR1351 and have Congress give the money back that we have overpaid for retirement funding; this would not be a bailout, but a refund of our overpayment. This could help us buy time to figure out how to solve these problems and become a more viable institution for many more years to come.

14) *Henry Charlot, Downtown Development District*

Mr. Charlot said that he came prepared to cite business statistics and why this would be a bad idea, but the preceding speakers had done a good job of that, so he would just like to add a few additional facts to help USPS reconsider its decision: DDD is the largest employment center in the state. There are 60,000 persons travel here everyday: workers at banks, law firms, etc., and visitors to the convention center in the downtown area. These are all users of the USPS services in the downtown area. The loss in convenience to these people will affect USPS' bottom line. Based on surveys he has done with business leaders, he feels that these people will move their business to private companies. The DDD cannot see how this will have a positive financial impact on the Postal Service. So as the Postal Service continues its analysis, the DDD would welcome the opportunity to provide USPS leaders with any help and support it can, such as statistics to demonstrate why this is a bad idea to move the plant from New Orleans.

15) *Genelle Davis, Distribution Clerk, T1*

Ms. Davis stated that she asked at the Townhall meeting in the plant if anyone could tell her why New Orleans was selected. No one answered her. It cannot be based on operational performance. She volunteered that in NO 807,467,551 pieces/day are run on the DBCS, to BR 434,807,483. NO is clearly running double. On the DIOS, New Orleans is running 104 million pieces to BR's 54 million. On the flat sorter, 51 million run in New Orleans, compared to 42 million in Baton Rouge. We are clearly processing more mail; we are the larger facility, why are we moving to Baton Rouge. The move makes no common or economic sense. Ms. Davis said that the managers we have now are from Texas and Baton Rouge, we don't know them, they don't introduce themselves – Mr. Gilbert included. Maybe they are tired and they want to go home! Before

Katrina, Ms. Davis reported that under other management (Mr. Watson, Mr. Dupuy and Mr. Handy), New Orleans was the #1 plant. We are open 24 hours a day, 7 days a week, and 365 days a year. She said hard workers like her are working 11 a night to 7:30 in the morning. She stated that she doesn't understand why currently there is no support from the management team to keep the plant open. All we are doing is running the mail up and down the highway. We send it to Baton Rouge, and they can't handle it and then they send it back. It's not fair for us to have to double work - to think the mail is gone and processed and then, lo and behold it is back again. Ms. Davis reported that NO sent mail to BR on the 29<sup>th</sup> and it came back and is now on the dock. That is delaying the mail. She invited Mr. Taylor to look on his dock and see what was there. If Baton Rouge can't handle it, then they need to come here. Management needs to come up with a feasible way to keep Baton Rouge open, because she would hate to see them forced to come here, also, and keep New Orleans going the way it's going.

16) *Renette Dejoie Hall, Executive Director, Louisiana Weekly Newspaper*

Ms. Hall would like to echo what Sheriff Gusman and others had said and join them in a request for the study on moving the mail from Baton Rouge to New Orleans. The study is not complete if it is only done one way. Ms. Hall felt that the economic progress of the city should be taken into account. She remarked that in Mr. Taylor's statement, he suggested that the mail's decline was due to online bill payment. She would suggest that the elderly population uses the PO. Ms. Hall also requests that USPS studies the online bill paying habits of BR versus NO. She stated that you will find that BR is a city that is trying to push USPS out of business.

17) *Eric Aubry, Mailhandler, T3*

Mr. Aubry stated that there is no transparency or clarity about this move. He reports that every employee in the plant is working 3 jobs each. We see the mail going up and down the highway, we see the mail not being prepared properly - this represents great inefficiency on management's part considering NO has to rework the mail returned from Baton Rouge. We are held accountable for our actions and our attendance. Mr. Aubry demanded that Mr. Boyd retract his statement to the Times Picayune in which he stated that the NO employees earn \$72,000 per year and that the New Orleans facility was smaller than Baton Rouge's facility. Both comments are incorrect. Mr. Boyd deliberately gave erroneous information. This is negligence.

Mr. Boyd also told the newspaper that BR processes more originating mail. Mr. Aubry stated that NO processes 240,000 more pieces originating mail daily than BR. Also, New Orleans serves 1.130 million people in the metro area and BR has only 700,000. Where did Mr. Boyd get his information? In BR, the mail service is just not as good.

Mr. Aubry expressed great dissatisfaction with the management. He stated that Mr. Romero, the plant manager, walks the workroom floor and does not speak to the employees. Managers in the past would talk to the employees and get ideas and get involved. The acting plant manager now walks around with

a guy with a clipboard following him and makes negative comments about the employees. Mr. Aubry stated that New Orleans' workers are very consistent. Mr. Aubry said if you check the records in Baton Rouge the work consistency is down and the sick leave rate has doubled since they are doing some of New Orleans' mail. I am asking you to look at what is right for the citizens of New Orleans. Mr. Aubry stated that this is not Texas and there are no Dallas Cowboys' fans here.

Mr. Aubry also wanted to let the politicians know that the New Orleans plant works over and above to deliver their political mail on time.

Mr. Aubry stated that we show up to work and are diligent in our duties, please keep us employed. He stated that the managers should put on jeans and come and work with the mail handlers to see what goes on and tell him if they work. There is not a clerk or mail handler that is not working 2 or 3 jobs. He said I'm pleading for you to look again at the survey. Look at the originating mail. Study moving Baton Rouge to here.

**18) Demetric Mercadel, Entergy Customer**

Ms. Mercadel would like to vote against the move to BR. She is responsible for many important mailings and delivers crucial mailings often as late as 8, 9, or 10:00 p.m. that need to be processed overnight. If New Orleans closes, she will have to drive the mail to Baton Rouge. That is how urgent it is. Closing the plant and ending next day service would harm Entergy. Also, Ms. Mercadel commented on how inconvenient it is to have branch Post Offices closed on Saturday to pick up packages, when that would be best for the customer. Please reconsider the move. Also, her mother is 74 and she mails her bills with a stamp.

**19) Wilbert Lodrig, Charbonnet Funeral Services**

Mr. Lodrig volunteered that his father is retired from the Postal Service. He was displeased with the community meeting, calling it a feel-good session to make the community feel that it had had a say in what is happening. He stated that this is already a done deal, made in a smoke-filled back room. You will go back to your boardroom and make the decision. He stated that it has nothing to do with balancing the budget or the financial study.

**20) Stanley Paige, Driver**

Mr. Paige stated they are currently doing a trial study on the weekends, breaking down the originating mail in the plant, and then the mail is supposed to be run by the 3 original contractors. This is not the case. The trips are being backed up by the MVS drivers. The system is being overburdened. Any savings projected to be saved in the move are presently being lost doing the study. They get the mail to Baton Rouge, and then they have to truck it back to New Orleans because they cannot work it in Baton Rouge.

In this region, Mr. Paige states, we have a lot of fog. There are only 2 entry ways into the city - I-10 and Hwy 61 (Airline Hwy). One accident between Sorrento and LaPlace (20 mile stretch) shuts everything down because there are

no exits: One hiccup in this area delays the entire process. Baton Rouge does not have the infrastructure to support this move. Large planes cannot go in because they cannot get out of BR. It seems more reasonable to bring BR to NO.

Mr. Paige believes that someone from HQ probably asked someone in this district for an opinion, but NO "has no dog in this hunt." He is sure they are dedicated to the PO, but they are not from here or anywhere in Louisiana. You have no history or ties in our plant. Your argument or fight for NO is not there. We are fighting for our home. We have no one to speak for us. These studies just look into proximity. It makes more sense that the smaller plant would go into the larger plant. With the price of fuel today and the additional mileage, this is a losing proposition.

**21) *Karen Payton, Distribution Clerk, Metairie***

Ms. Payton remarked that accountability and responsibility are very important, but they do not exist in the USPS which is equivalent to a fortune 500 company. A company this large should have transparency across the board. She suggested that to reduce costs by reducing employees, why start from the bottom? Why not consolidate managers? There are 204Bs crossing crafts without any education or knowledge of the craft position – this doesn't make sense. Most managers dictate orders given to them by walkie-talkie and say do as I say, not as I do. These are not managers – but robots. The PO claims to be leaner and more efficient; however Ms. Payton questioned how this could be true. She recounted a situation where a truck driver came to the Metairie PO to deliver a ½ tray of mail. The mail carrier had already gone on the street. How is that efficient?

Customers are complaining about not being able to buy one stamp since the vending machines were removed. How is that responding to customer needs? The clerks are not educated enough on the products to be able to sell them. Most clerks have no access to computers to learn about the products. You receive a piece of paper with descriptions and must sell using that. Employees at Dollar General have access to computers. If employees don't know what they are selling and don't use them themselves, how can they sell to customers? Employees will follow if managers would lead by example. Ms Payton reports that she has listened to the conference calls lead by management and they should be ashamed of themselves and the foul language they use towards one another. Managers are profane to one another. You should take a survey of skills and employees with degrees that are in the PO, who have education and things to offer. Mr. Taylor had a Townhall meeting and met with the managers. After he left, everything went out of the window. We need to come together – one nation, one team, one together. She challenges Mr. Taylor to come to Metairie unexpectedly to see what goes on. To be successful, you need a good leader. Where are ours?

**22) *Rev. Dwight Webster, Ph.D., Christian Unity Baptist Church***

Rev. Webster said that he would like to cosign all comments that had gone before and add what has not been mentioned – postal workers and their families will be adversely affected, that when you take jobs, you take hope, then life, and then you relegate everyone to the nihilism and hopelessness. His organization

and others like him will have to service those affected. In urban areas when jobs are taken away crime takes their place. Postal workers are educated, competent, prepared members of society. They are some of the best people prepared to lead community activism. What no one has mentioned is that in New Orleans, the greatest number of those affected would be those with the greatest amount of melanin in their skins – Blacks! Not just financial and economic capital, but spiritual and social capital must be considered. It is essential for postal people in New Orleans to maintain their jobs so that young people in the city look forward to postal jobs after those now retire. Young people will feel they have alternatives like delivering mail and management positions. Rev. Webster wholeheartedly endorses and supports keeping the NO P&DC in New Orleans. It would be unconscionable to take away these jobs from this community when the numbers do not even support it.

**23) Jewel Cannon, USPS employee**

Mr. Cannon demanded an answer to his question: Why is the Baton Rouge not being moved here? (Mr. Taylor said the decisions are top-down from HQ to us.) After Katrina, people were moved to BR, the numbers were not good. BR is a smaller facility, how can you fit the people and the machines? Also, how could he state that employees make \$72,000/year? (Mr. Boyd responded that statistically, including benefits, that is what processing employees make.) What do HQ employees make? Are you aware that there facility is smaller? Why did you say NO can't handle the mail volume? Mr. Cannon said that most of the BR people are not in processing, but don't want to leave their jobs there. New Orleans people struggled to come back to their city, not Baton Rouge. We fought to return here. It doesn't seem right that we would be forced to go to BR. Bring them here and we will show them how it is done.

**24) Ted Patterson, President of LA APWU**

Mr. Patterson explained to the attendees that the only way this consolidation can work is if the service standards are changed. He said it is a proven fact that the mail cannot be done the way they are saying. The mail keeps coming back from Baton Rouge, unworked. The dock is overloaded, conditions are unsafe. The study is unfair and being slanted to BR. The data being sent to SWA is being falsified. He invited Mr. Taylor to come on the dock and see the mail backed up. Please don't close our plant.

**25) Kathleen Lucien, USPS employee**

Ms. Lucien asked for clarification concerning the \$72,000 salary reported by Mr. Boyd. He explained that it was salary and fringe benefits. Ms. Lucien felt that he should retract that statement due to the backlash employees have experienced. Mr. Boyd also said he would take another look at the data about the area of the NO vs. BR plant. Worked in BR after Katrina, they cannot hold as much mail as NO, and their dock is smaller.

Ms. Lucien remarked that one of the main problems in NO is that there is no management stability whatsoever. She calls them the "Clipboard Club" – it is

like a revolving door. Managers use NO to enhance their 991. When there is no stability – there is failure. She stated that the PO had a motto: “Right the First Time.” Now, when employees see the mail going through the wrong operations and you try to tell a manager they send you home. “Well, we are home.”

**26) Brandy Mitchell, USPS employee**

Ms. Mitchell started working in BR after Katrina. She reports that she witnessed first-hand that they could not handle the NO mail. She was just exceeded 2 years ago from BR to NO. Now she may have to go back. It seems to her that the USPS makes decisions for Tuesday and not next Tuesday. The travel to BR creates a hardship. It takes 4 hours on a bus, or you pay extravagant costs for fuel, or wear on your car. She will punch in wherever she has to, but she doesn't need another disaster after a disaster. She is begging – please review this study. She worked there and doesn't see any way this could work.

**27) Gail Stemley, USPS employee**

Ms. Stemley stated that she is confused, she worked in BR after Katrina, and this reminds her of when they tried to steal the Saints from the city. She experienced the hardship of driving from here to there. This is her home, her post office, and our post office. She cannot go back to BR. This is not right.

**28) Walter Miles, USPS, Statistical Programs employee**

Mr. Miles stated that the statistics do not make any sense. Savings of \$4 million is not accurate or significant. In addition, you won't save employee expenses because people will be sitting here doing nothing on standby time. Transportation is losing \$700,000. The numbers on this study don't jive.

**29) Michael Raceo, Occupy NOLA**

Mr. Raceo moved to New Orleans in February, 2011. It has always been his dream to live here since he was 10 years old. He stated that the problem with this move is that it would take away jobs from people – the first thing that corporations want to do to save money. If they take these now, they will take a lot of others. “Stop it! Stop it!” he exclaimed.

**30) Michael Burrus, APWU Vice-President**

Mr. Burrus suggested that we discontinue customer discounts for large mailers. He felt that they are continuing to make money while we lose money, so discontinue the discounts or decrease them.

**V. Adjournment**

**Jeffery Taylor, District Manager, adjourned the meeting at 8:30 p.m.**

Minutes submitted by: Renette M. Dominick

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID POPKIN**

**DBP/USPS-2**

- [a] Before the implementation of this Docket, please indicate the percentage of First-Class Mail that is destined for overnight delivery, for 2-day delivery, for 3-day delivery, for 4- or more day delivery?
- [b] Provide the similar data for the expected percentages that will exist after the implementation of this Docket.

**RESPONSE**

- (a) See the table below.

Before Implementation	
FCM SVC STD	% of Volume
1	41.2%
2	26.7%
3	31.9%
4-5	0.3%

- (b) The actual service changes cannot be known until the final service standard regulation business rule changes are adopted and all of the Area Mail Processing operational consolidations associated with the initiative under review in this docket are determined. Assuming the illustrative changes depicted in USPS Library Reference N2021-1/8, one could hypothesize the results depicted below:

After Proposed Implementation	
FCM SVC STD	% of Volume
2 <sup>1</sup>	50.2%
3	49.5%
4-5	0.3%

<sup>1</sup>Although part of this volume is overnight, there is no basis for estimating percentage. See the response to DBP/USPS-3.

As discussed in USPS-T-1, it cannot be overemphasized that the degree to which service standards will actual change depends upon (a) the outcome of each AMP study, (b) what amendments to 39 C.F.R. Part 121 result from the market dominant product service standard rulemaking, and (c) any further

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID POPKIN**

**RESPONSE to DBP/USPS-2 (continued)**

modifications that result from consideration of the advisory opinion issued at the conclusion of this docket.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID POPKIN**

**DBP/USPS-3**

- [a] For First-Class Mail, what percentage of the mail currently destined for overnight delivery will change to 2- or more day delivery?
- [b] Will any First-Class Mail currently destined for overnight delivery change to 3- or more day delivery?
- [c] If so, please identify the ZIP Code pairs that will change from overnight to 3- or more day delivery.

**RESPONSE**

- (a) The degree to which First-Class Mail presort customers take advantage of the early entry time option to achieve overnight delivery is unknown. So is the proportion of Caller Service volume obtained by recipients at destinating plants during processing that consists of mail entered the day before. These factors ultimately will determine the percentage of mail currently receiving overnight delivery that will continue to receive it in the future. If one assumes an environment in which no presort customers take advantage of this early entry time for overnight service and no Caller Service customer picks up mail volume during the day, then one can assume that 100 percent of First-Class Mail volume will be subject to either a 2-day or 3-day delivery standard.
- (b) Utilizing the illustrative potential changes depicted in USPS Library Reference N2012-1/8, the following results are conceivable: 821 3-digit ZIP Code pairs could move from overnight to 3-day. The volume constitutes 0.57% of total First-Class Mail volume. As discussed in USPS-T-1, the degree to which service standards will actually change depends upon (a) the outcome of each AMP study, (b) what amendments to 39 C.F.R. Part 121 result from the market dominant product service standard rulemaking, and (c) any further modifications that result from consideration of the advisory opinion issued at the conclusion of this docket.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID POPKIN**

**RESPONSE to DBP/USPS-3 (continued)**

- (c) See the origin-destination 3-digit ZIP Code combinations listed below that could potentially go from 1-day to 3-day.

OZIP	DZIP
163	167
164	167
165	167
167	152
167	161
167	163
167	164
167	165
184	137
184	138
184	139
185	137
185	138
185	139
186	137
186	138
186	139
187	137
187	138
187	139
188	137
188	138
188	139
215	212
215	217
215	254
215	262
215	263
215	264
240	229
240	232
240	242
240	244
240	246
240	247
240	248
241	229
241	232
241	242
241	244
241	246
241	247
241	248
243	229
243	232
243	242

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID POPKIN

243	244
243	246
243	247
243	248
245	229
245	232
245	242
245	244
245	246
245	247
245	248
246	240
246	241
246	242
246	243
247	240
247	241
247	242
247	243
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249	243
249	245
250	265
251	265
252	265
253	265
254	267
255	265
256	265
257	265
258	265
259	265
261	150
261	151
261	152
261	153
261	154
261	215
261	260
261	265
261	267
262	150
262	151
262	152
262	153
262	154
262	215
262	260
262	265
262	267

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID POPKIN

263	150
263	151
263	152
263	153
263	154
263	215
263	260
263	265
263	267
264	150
264	151
264	152
264	153
264	154
264	215
264	260
264	265
264	267
265	253
265	261
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**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID POPKIN**

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RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID POPKIN

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RESPONSE OF THE UNITED STATES POSTAL SERVICE  
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RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID POPKIN

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RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID POPKIN

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RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID POPKIN

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RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID POPKIN

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RESPONSE OF THE UNITED STATES POSTAL SERVICE  
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RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID POPKIN

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RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID POPKIN

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RESPONSE OF THE UNITED STATES POSTAL SERVICE  
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RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID POPKIN

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**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID POPKIN**

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**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID POPKIN**

**DBP/USPS-6**

- [a] Please advise what changes are being proposed for delivery standards for Priority Mail since the changes in First-Class Mail being proposed in this Docket will transition mail to Priority Mail particularly in the overnight area.
- [b] Same as subpart [a] for Express Mail.
- [c] Please provide timelines for the processing of this mail to achieve the delivery standards.

**RESPONSE**

- (a) No changes are being proposed to the service standard day range for Priority Mail.
- (b) No changes are being proposed to the service standard day range for Express Mail.
- (c) It is important to note every facility has its own operating plan which defines its critical entry times and critical cut-off times for mail processing. The scenarios below provide a general framework under which these operations are performed.

The processing of Priority Mail generally takes place within the following times to achieve overnight delivery of this mail within a local service area: Outgoing operations typically occur between 5:00pm and 12:00am. Destinating operations typically occur between 10:00pm and 04:00am.

The processing of Express mail in general takes place within the following times to achieve overnight delivery of this mail within a large proportion of the country: Outgoing processing will occur typically between 6:00pm and 10:30pm, with enough time to make the tender time at the FedEx origin airstop, the average tender time at the origin FedEx airstop is between 9:00pm and 11:00pm. Express Mail begins departing the Memphis hub at approximately 4:00am for transport to the destination airstop. The farther from the hub the location is, the later the Postal Service pickup time. In general, the Postal Service's pickup time ranges from 6:30am to 09:00am. The Postal Service will transport this mail to a processing location for the 5-digit ZIP Code breakdown to the delivery units.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID POPKIN**

**DBP/USPS-8**

- [a] For the initial processing of mail arriving at a processing center, please advise the time frame under the present scenario vs. under the proposed scenario. If this is different for different categories of mail, please explain and provide data for each.
- [b] Under the present and proposed scenarios for the initial processing of mail at a processing center, please provide the percentage of the total volume is being processed in each hour of the operation [for example if the time frame is 5 PM to 10 PM there will be five one-hour slots and each will have a percent associated with it and all five percentages will add up to 100%].

**RESPONSE**

(a&b) See USPS-T-1 and USPS-T-4 for discussion of current operating time frames, particularly Figure 5 at page 13 of USPS-T-4. Please see USPS-T-1, USPS-T-3 and USPS-T-4 for discussion of the time frames for the proposed scenario. The information provided below provides a general sense of the percentage of volume sorted by hour within the initial process step, utilizing cancellation as a proxy.

Present:

11:00-12:00	0%
12:00-13:00	0%
13:00-14:00	0%
14:00-15:00	1%
15:00-16:00	3%
16:00-17:00	8%
17:00-18:00	14%
18:00-19:00	17%
19:00-20:00	22%
20:00-21:00	19%
21:00-22:00	11%
22:00-23:00	4%
23:00-24:00	1%
24:00-01:00	0%
01:00-02:00	0%
02:00-03:00	0%
03:00-04:00	0%
04:00-05:00	0%
05:00-06:00	0%
06:00-07:00	0%
07:00-08:00	0%
08:00-09:00	0%
09:00-10:00	0%
10:00-11:00	0%

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID POPKIN**

**DBP/USPS-10** Please provide a listing of those city delivery offices that do not have a 5 PM or later collection time on weekdays at the main office and classified stations or branches at both the lobby and blue collection box at the facility. This listing should include the following data:

- [1] Facility name, state, and ZIP Code;
- [2] Final weekday collection time in the lobby;
- [3] Final weekday collection time at the blue collection box at the facility;
- [4] The time of the final dispatch from that facility to the processing center or to another facility for dispatch to the processing center;
- [5] Whether the District Manager has granted a waiver of the 5 PM time.

**RESPONSE**

Information responsive to subparts (1) through (4) of this interrogatory are being filed in the form of USPS Library Reference N2012-1/39. Subpart (5) appears to presume a 5:00pm requirement (apparently subject to waiver) associated with a particular postal operation, but the interrogatory does not identify the operation to which it claims the 5:00pm requirement applies. Please specify the operation and other additional information that would permit the Postal Service to respond to this question, such as a reference or citation to the requirement and waiver policy.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DAVID POPKIN INTERROGATORY**

**DBP/USPS-44** Please refer to your response to Interrogatory DBP/USPS-29. At this point in time, have any changes in Part 3 of the Postal Operations Manual been considered or discussed as a result of the potential implementation of the proposed Docket? For example, one of the requirements of Part 3 of the POM is to have a weekday final collection of 5 PM or later at all city delivery offices. If the Postal Service has considered changing this to 4 PM or later, it would have an effect on the pending Docket and therefore be a relevant request.

**RESPONSE**

Appropriate manuals, including the POM, are being reviewed. It is safe to assume that some postal employee has some given consideration to whether some portion of Chapter 3 should be revised to some degree.

**INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO DOUGLAS F. CARLSON INTERROGATORY  
REDIRECTED FROM WITNESS NERI**

**DFC/USPS-T4-4.** Please identify any planned changes or upgrades to Advanced Facer Cancellor System machines, including improvements in machine processing speed or the legibility of postmarks.

**RESPONSE:**

The Postal Service is in the process of deploying the AFCS200 technology, and it expects that the AFCS200 will have greater machine processing speeds than the legacy AFCS. The investment in AFCS200 equipment is based on an expected 15 percent operational throughput increase over the legacy AFCS.

In the short term, using the images captured in Real Mail Notification in the DC Metro area, the Postal Service is developing a quality monitoring solution to assess the quality of the cancelation marks applied by source AFCS nationwide. Plants with marks that do not meet minimally acceptable standards will receive feedback as a result of the quality monitoring initiative. In addition, Maintenance Policies and Programs has recently re-issued some guidance to the field on Ink Jet Cancellor maintenance.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF GREETING CARD ASSOCIATION**

**GCA/USPS-1**

Please describe and explain fully the relationship, if any, between (i) the Mail Processing Network Rationalization plan and associated changes in service standards, as set forth in this Docket, and (ii) the plan to eliminate Saturday delivery, as set forth in Docket No. N2010-1. In particular:

- (a) Do the Mail Processing Network Rationalization plan presented in this Docket (hereafter, "MPNR plan") and its associated service standard changes depend for their feasibility on elimination of Saturday delivery?
- (b) Do the savings anticipated from the MPNR plan and its associated service standard changes depend on elimination of Saturday delivery?
- (c) If the answer to (b) is other than an unqualified "no," please indicate whether retention of existing Saturday delivery arrangements would (i) make any such savings unavailable, or (ii) affect the amount of such savings.
- (d) If the answer to (c)(ii) is other than an unqualified "no," please indicate the amount of such effect on savings, breaking down the answer as far as possible among the categories of savings anticipated from the MPNR plan and its associated service standard changes.

**RESPONSE**

- (a) No.
- (b) No.
- (c) (i) N/A  
(ii) N/A
- (d) N/A

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF GREETING CARD ASSOCIATION**

**GCA/USPS-2**

- (a) Did the development of the MPNR plan assume the elimination of Saturday delivery?
- (b) If the answer to (a) is other than an unqualified "no," please state whether any alternative mail processing network rationalization plan, not assuming elimination of Saturday delivery, was prepared.
- (c) If any alternative plan of the type described in (b) was prepared, please (i) describe any such plan and provide any documents setting forth, explaining or evaluating it, and (ii) describe the reasons why such alternative plan was not adopted.

**RESPONSE**

- (a) No.
- (b) N/A
- (c) N/A

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF GREETING CARD ASSOCIATION**

**GCA/USPS-3**

Did the Postal Service, in deciding on the timing of this filing, consider the possibility that the filing, plus any related media coverage, could adversely affect the willingness of customers to use the mails for purposes and at levels commonly found in the end-of-year holiday season? If any such consideration occurred, please describe it fully and provide any documents setting forth, explaining, or evaluation such consideration.

**RESPONSE**

The Postal Service, in deciding on the timing of this filing, determined that the sooner it could take significant measures to address the consequences of the continuing decline of First-Class Mail, the sooner it could improve its long-term financial stability. The Postal Service is aware that "bad news" about its financial circumstances could cause some mailers to be less willing to use its products and services. The Postal Service has faced that reality during the past several years in which its negative financial circumstances have been reported regularly in the public media. However, the Postal Service has conducted no analysis of whether filing the request in this docket in January 2012, for instance, would be better for its bottom line than filing in December 2011. The Postal Service is of the view that there is no "good" time to be facing the circumstances that it faces or to file an advisory opinion request of the type presented to the Commission in this docket.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF GREETING CARD ASSOCIATION**

**GCA/USPS-4**

The Postal Service asserts that falling mail volumes in First-Class Mail (hereafter, "FCM") have forced it to eliminate excess/redundant mail processing capacity and related transportation expenses.

- (a) Please confirm that a moving average of the past three recent years 2008 – 2010 is 84.6 billion pieces for FCM, and that that is essentially the same as the 84.7 billion pieces from 1988 -1990. If you do not confirm, please explain why.
- (b) Please confirm that between 1988 and 1990, overnight delivery was a service standard for FCM, and provide the volume of FCM that was delivered overnight.
- (c) Under current delivery standards, what is the percentage of FCM that is delivered overnight?
- (d) Please explain fully, including the use of geographic overlays of the national mail processing network then (1988 -1990) and now (2008-2010), why the Postal Service believes it must eliminate the overnight delivery standard to deliver the *same* FCM volume that it could deliver overnight not many years ago?

**RESPONSE**

- (a) Confirmed, however, 84 billion and steadily rising is not the same as 84 billion and declining, for purposes of network planning. Thirty years ago, the Postal Service also was not faced with the current shift in the mail mix between First-Class Mail and what is now Standard Mail. Nor was it facing the changing proportions within First Class Mail (between presort and single-piece) that are currently being experienced and projected.
- (b) Confirmed. Please see Docket No. N89-1, USPS-T-2 at 7.
- (c) Please see the response to DBP/USPS-2.
- (d) Please review the response to subpart (a) above and USPS-T-1 and USPS-T-2. It should be borne in mind that mail processing technology has advanced considerably since 1988 and that the Postal Service now

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF GREETING CARD ASSOCIATION

RESPONSE to GCA/USPS-4 (continued)

employs 235,000 fewer career employees than it did then. In addition, mail processing operations now include delivery point sequencing. Accordingly, simply comparing 1988 vs. 2011 mail volumes or 1988 vs. 2011 facility locations or numbers does little to inform one whether a network deemed suitable for the future in 1988 would be deemed suitable for the future in 2011, or shed light on appropriate First-Class Mail service standards.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF GREETING CARD ASSOCIATION**

**GCA/USPS-5**

Please describe and explain fully the relationship, if any, between (i) the MPNR plan and associated changes in service standards, as set forth in this Docket, and (ii) the plan to close or consolidate roughly 3,600 retail post offices. In particular:

- (a) Do the MPNR plan presented in this Docket and its associated service standard changes depend for their feasibility on elimination/consolidation of the above-cited several thousand retail post offices?
- (b) Do the savings anticipated from the MPNR plan and its associated service standard changes depend on elimination/consolidation of several thousand retail post offices?
- (c) If the answer to (b) is other than an unqualified "no," please indicate whether retention of existing levels of retail post offices would (i) make any such savings unavailable, or (ii) affect the amount of such savings.
- (d) If the answer to (c)(ii) is other than an unqualified "no," please indicate the amount of such effect on savings, breaking down the answer as far as possible among the categories of savings anticipated from the MPNR plan and its associated service standard changes.

**RESPONSE**

- (a) No.
- (b) No.
- (c) (i) N/A  
(ii) N/A
- (d) N/A

**INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO GREETING CARD ASSOCIATION INTERROGATORY  
REDIRECTED FROM WITNESS ROSENBERG**

**GCA/USPS-T3-4**

- (a) How was the overnight delivery standard for FCM managed before DPS? In answering, please describe as fully as possible the constraints, if any, which that standard imposed on incoming processing windows.
- (b) Did you develop, or have provided to you, information on how many fewer carriers are there today as a result of reducing in-office carrier time due to DPS? If so, please provide all such information, or redirect the question to a witness who can do so.
- (c) Did you develop, or have provided to you, information as to the average reduction in hours per day of carrier in-office time as a result of DPS processing? If so, please provide all such information, or redirect the question to a witness who can do so.
- (d) Did you develop, or have provided to you, information as to the use(s) made of the extra carrier time from (c) (for example, increasing the number of street time stops per carrier and/or reducing paid hours per carrier)? If so, please provide all such information, or redirect the question to a witness who can do so.

**RESPONSE**

- A. Prior to DPS we processed letter mail on MLOCR and BCS machines at processing plants. Overnight First-Class Mail from the plant's local originating collection boxes and carriers were processed through an outgoing operation, facer canceller and then in automation, usually on an MLOCR (multiline optical character reader, and then as incoming primary through a BCS (bar code sorter). Bar code sorters would also be used separate mail to the incoming secondary level for dispatch to stations branches and delivery units in the local delivery area of the host plant.

As this mail was cleared through the outgoing operations and was subsequently run throughout the night on the BCS machines and dispatched multiple times on several transportation runs, usually an early trip and then a dispatch of value (DOV) to the delivery units for carrier sort

**INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO GREETING CARD ASSOCIATION INTERROGATORY  
REDIRECTED FROM WITNESS ROSENBERG**

**RESPONSE to GCA/USPS-T3-4 (continued)**

and delivery. The only constraint on the operation was the First-Class Mail overnight (O/N) from another overnight trading partner/plant.

However, with multiple runs of incoming secondary mail processed on BCS machines, as long as the incoming FCM from the overnight trading partner was received before the DOV, FCM O/N service was preserved.

Today, in DPS processing, in order to provide mail in carrier sequence, we must run all available service committed mail in the first pass operation before we can re-run mail in the second pass operation.

Before MLOCR and BCS machines, the Postal Service utilized a mechanized sort with MPLSM (multi-positional letter sorting machines) machines. Similar to the MLOCR and BCS processing, destinating carrier route mail was processed and dispatched in batches, and could be dispatched on multiple trips in multiple trays. Again the process did not require today's process to run all available service committed mail in the first pass operation before we re-run mail in the second pass operation.

- B. Witness Rosenberg did not develop nor was she provided information on the impact of reducing in-office carrier time. Changes in mail processing, not delivery, are at the heart of service changes this docket.

**INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO GREETING CARD ASSOCIATION INTERROGATORY  
REDIRECTED FROM WITNESS ROSENBERG**

**RESPONSE to GCA/USPS-T3-4 (continued)**

- C. See the response to subpart B. Witness Rosenberg did not develop nor was she provided information on changes in carrier in-office time as a result of DPS processing. No analysis of carrier in-office costs of the sort requested in this question was performed by the Postal Service for purposes of this docket.
  
- D. See the responses to subparts B and C. Witness Rosenberg did not develop nor was she provided information of the sort described in this question. No such analysis was performed for purposes of this docket.

**INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO GREETING CARD ASSOCIATION INTERROGATORY  
REDIRECTED FROM WITNESS ROSENBERG**

**GCA/USPS-T3-6**

On page 2, lines 9-11, of your testimony you state that the unused capacity of DBCS "can only be reduced through the relaxation of service standards...". Couldn't the current underutilization have been significantly reduced by buying fewer machines in light of declining FCM volume and where applicable gradually deploying or re-deploying them to effect a more rational network? If your answer is anything other than an unqualified "yes", please fully explain your answer.

**RESPONSE**

It is important to note, the Postal Service has not made significant DBCS equipment purchases since the volume decline. The growth of DBCS mail processing equipment was commensurate with the volume increases the Postal Service experienced. Those purchases were necessary in order to process the mail volume based on the appropriate service standard.

Volume is only one constraint within the DPS processing step. The number of delivery points is also a constraint.

Consider this hypothetical example. There are 2 zones processed on two DPS schemes, each requiring 2 hours of first pass sequencing, and 2 hours of second pass sequencing. That requires a total of 4 hours of processing time. Due to the current overnight service standards, let us assume we begin first pass at 01:30 – 03:30, and we run second pass from 04:00 – 06:00. These 2 zones must also be processed on two different machines due to the number of delivery points. Even if volume were to decline by 50 percent in this example, that would require these same two machines, albeit running shorter windows. Even with this large of a

**INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE  
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REDIRECTED FROM WITNESS ROSENBERG**

**RESPONSE to GCA/USPS-T3-6 (continued)**

decline, due to the fact that they must be processed on separate sort programs due to the total number of delivery points, they cannot be processed on the same machine due to the overnight service time constraints, and therefore, will not require fewer machines. In an environment of 50 percent less volume across these two zones, each would require 1 hour of processing. If we assume they cannot start until 01:30, because we must wait for the volumes to be available to be processed, the first zone would run from 01:30 – 02:30, and then changeover to second pass from 03:00 – 04:00. If we tried to then run the second zone after that, it would not be completed in time for the carriers, i.e., the second zone would have to run first pass from 04:30-05:30 and then second pass from 06:00-07:00, again, one hour later than required. So even in an environment of significant volume declines, due to the need to delivery point sequence, and the constraint of delivery points, the Postal Service could not have been "significantly reduced by buying fewer machines in light of declining FCM volume."

**INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO GREETING CARD ASSOCIATION INTERROGATORY  
REDIRECTED FROM WITNESS ROSENBERG**

**GCA/USPS-T3-30**

On page 9, line 1, of your testimony you state "it was assumed a 53 foot truck would be utilized." For all owned and leased trucks for network transportation, please provide a table showing: (a) each size of each truck (expressed in length and cubic capacity) owned or leased for network transportation, and (b) the number of such trucks in use.

**RESPONSE****USPS Owned Trailer Inventory**

<u>QUANTITY</u>	<u>LENGTH</u>	<u>CUBIC CAPACITY</u>
1,479	38	3,800
2	22	2,024
231	28	2,576
503	38	3,496
9	24	2,208
1	34	3,128
9	28	2,688
18	28	2,800
184	33	3,036
17	48	4,608
213	48	4,800
65	48	5,184
39	53	5,300
102	53	5,724
66	32	2,944
761	45	4,500
5	45	4,140
380	45	4,860
<u>4,084</u>		

**USPS Leased Trailers**

<u>QUANTITY</u>	<u>LENGTH</u>	<u>CUBIC CAPACITY</u>
89	28	1650
9	32	1650
319	40	2400
1533	45	2700
3373	48	2800
1658	53	3180
<u>6981</u>		

UNITED STATES POSTAL SERVICE RESPONSE TO  
NATIONAL POSTAL MAIL HANDLERS UNION INTERROGATORY  
REDIRECTED FROM WITNESS BRATTA

**NPMHU/USPS-T5—1** Referring to your response to APWU/USPS-T4-9, redirected from witness Neri to you, in which you stated that, for each of the P&DCs that have been closed since 2008, the "Postal Service selected from several options, including sale, lease, termination, maintenance for storage or other operations, lease or vacancy."

(a) Please identify any properties that the Postal Service owns that it is trying to sell, including in your answer how long the property has been for sale and at what price(s).

(b) Please identify any properties that are vacant that the Postal Service is not currently trying to sell, including the assessed value of the property.

(c) Please list all properties sold by the Postal Service since January 1, 2008, including the sale price and the number of days on the market prior to sale.

**RESPONSE:**

(a-c) Please see USPS Library References USPS-LR-N2012-1/75 and NP19 –

Materials Responsive to NPMHU/USPS-T5-1.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO NPMHU INTERROGATORY REDIRECTED FROM WITNESS MEHRA**

1. NPMHU/USPS – T7-1 On page 4 of your testimony, you state that “[w]here practicable, BMEUs will remain in the impacted facility. If this is not feasible, acceptance units will be located within relatively close geographical proximity to the impacted facility . . .”
- (a) Where it is not feasible to retain the BMEU in the impacted facility, has the Postal Service developed a plan for where the acceptance units will be located, and, if so, what is that plan?
  - (b) What are the anticipated costs of opening and operating BMEUs at locations outside the impacted facility?
  - (c) What staffing will be required to operate BMEUs at locations outside the impacted facility?
  - (d) Is it possible that the USPS will need to open or lease a location in which to locate an acceptance unit “within relatively close geographical proximity to the impacted facility”?
  - (e) If the answer to (d) is yes, has the Postal Service made any estimate of the number of new facilities that will be required, and the costs of opening and acquiring such facilities?
  - (f) Please confirm that estimated costs of maintaining BMEUs in either the impacted facility, or in another location in “relatively close geographical proximity to the impacted facility” have not been accounted for in the \$2.1 billion savings projected by witness Bradley.
  - (g) If (f) is not confirmed, please identify where these costs are accounted for, by specific citation to testimony or library reference.

**RESPONSE:**

- (a) The Postal Service will assess alternate locations for such acceptance units on a case-by-case basis, taking into account available local postal facilities and changes in customer entry patterns resulting from MPNR. Further, see the response to POIR No. 1, Question 15(a): the feasibility of BMEU operations at any given location is subject to review over time, as local network processing operations evolve, and as mail entry patterns respond to changes in classifications and prices.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO NPMHU INTERROGATORY REDIRECTED FROM WITNESS MEHRA**

**RESPONSE to NPMHU/USPS- T7-1 (continued)**

(b) The Postal Service does not expect significant change to operating costs associated with maintaining customer access to BMEUs at, or in proximity to, impacted plants. This is because the Postal Service expects that when relocation is necessary, such relocation will be to existing postal facilities in close proximity to the impacted facilities. Further, see the response to POIR No. 1, Question 15(e): there are no bulk mail entry unit cost estimates or BMEU cost change estimates filed in support of the Request in this docket.

(c) See the response to POIR No. 1, Question 15(d): Staffing needs for specific BMEUs will be assessed based on changes in customer entry patterns resulting from MPNR.

(d) The Postal Service is not considering opening or leasing locations to relocate BMEUs.

(e) N/A.

(f) Confirmed. The estimated costs of maintaining BMEUs in either the impacted facility or in another location are not included in the savings projected by witness Bradley. This is because there are no bulk mail entry unit cost estimates or BMEU cost change estimates filed in support of the Request in this docket. See the response to POIR No. 1, Question 15(e).

(g) N/A.

**INSTITUTIONAL RESPONSES OF UNITED STATES POSTAL SERVICE  
TO NATIONAL POSTAL MAIL HANDLERS UNION INTERROGATORIES,  
REDIRECTED FROM WITNESS RACHEL**

**NPMHU/USPS-T8-3.** Has the Postal Service estimated the projected labor savings from normal attrition rates, absent implementation of the MPNR? If so, please provide those estimates.

**RESPONSE:**

No. Labor savings cannot be projected on the basis of attrition rates because there is no fixed correlation between attrition and reductions in complement or FTEs.

**INSTITUTIONAL RESPONSES OF UNITED STATES POSTAL SERVICE  
TO NATIONAL POSTAL MAIL HANDLERS UNION INTERROGATORIES,  
REDIRECTED FROM WITNESS RACHEL**

**NPMHU/USPS-T8-4.** Has the Postal Service subtracted the anticipated labor savings from normal attrition from the projected labor savings associated with the MPNR? If so, please identify where these savings are accounted for, by specific reference to testimony or library reference.

**RESPONSE:**

No. Please see the institutional response to NPMHU/USPS-T8-3.

**INSTITUTIONAL RESPONSES OF UNITED STATES POSTAL SERVICE  
TO NATIONAL POSTAL MAIL HANDLERS UNION INTERROGATORIES,  
REDIRECTED FROM WITNESS RACHEL**

**NPMHU/USPS-T8-6.** Has the Postal Service calculated the cost and possible savings from implementing a voluntary retirement program or retirement incentive program? If so, please provide those calculations.

**RESPONSE:**

Please see the Postal Service's institutional response to NPMHU/USPS-T8-8. The Postal Service filed a partial objection to NPMHU/USPS-T8-6 on January 23, 2012.

**INSTITUTIONAL RESPONSES OF UNITED STATES POSTAL SERVICE  
TO NATIONAL POSTAL MAIL HANDLERS UNION INTERROGATORIES,  
REDIRECTED FROM WITNESS RACHEL**

**NPMHU/USPS-T8-8.** What were the Postal Service's costs and projected labor savings, broken down by craft, associated with any retirement incentive programs or early retirement programs offered since 2006?

**RESPONSE:**

The table below provides a list of voluntary early retirement actions that the Postal Service has offered since calendar year 2006. It shows, by major craft, number of employees who separated from the Postal service under each of these offerings. In 2009, the Postal Service offered lump sum incentive payments of \$15,000 to eligible APWU and NPMHU employees. In 2011, \$20,000 lump sum incentive was offered to nonbargaining career employees at headquarters and certain field offices that were being closed due to consolidation of administrative functions. Based on the amount of each offering and the number of employees accepting the incentive VERA, it cost the Postal Service an estimated \$352 million dollars.

The third table shows an estimated reduction in annual personnel costs resulting from each of the early retirement offerings. This "Annual Run Rate" is calculated by applying the average salary and benefit cost of employees in each group multiplied by number of employees in that group who elected to accept the early retirement offer. As explained in footnote 3, we are unable to provide savings associated with VER as those would require a speculation about when those employees would have separated absent the opportunity provided by VER.

**INSTITUTIONAL RESPONSES OF UNITED STATES POSTAL SERVICE  
TO NATIONAL POSTAL MAIL HANDLERS UNION INTERROGATORIES,  
REDIRECTED FROM WITNESS RACHEL**

**RESPONSE TO NPMHU/USPS-T8-8 (CONT.):**

**Historical USPS VER & Retirement Incentive Offerings**

<b>Number of People Who Accepted Offering</b>								
<u>CY</u>	<u>NON-BARG</u>	<u>NRLCA</u>	<u>APWU</u>	<u>NPMHU</u>	<u>PPO</u>	<u>NPPN</u>	<u>NALC</u>	<u>TOTAL</u>
2006	11	0	0	0	0	0	0	11
2007	91	0	29	2	0	0	0	122
2008	709	41	2,870	362	1	0	141	4,124
2009	1,915	608	2,279	259	7	1	3,230	8,299
2009	0	0	17,983	2,893	0	0	0	20,876
2010	67	1	40	18	0	0	2	128
2011	0	0	213	2	0	0	223	438
2011	1,963	0	0	0	0	0	0	1,963
<b>TOTAL</b>	<b>4,756</b>	<b>650</b>	<b>23,414</b>	<b>3,536</b>	<b>8</b>	<b>1</b>	<b>3,596</b>	<b>35,961</b>

<b>Cost of Incentive<sup>2</sup></b>								
<b>(\$ millions)</b>								
<u>CY</u>	<u>NON-BARG</u>	<u>NRLCA</u>	<u>APWU</u>	<u>NPMHU</u>	<u>PPO</u>	<u>NPPN</u>	<u>NALC</u>	<u>TOTAL</u>
2006	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-
2008	-	-	-	-	-	-	-	-
2009	-	-	-	-	-	-	-	-
2009	-	-	\$270	\$43	-	-	-	\$313
2010	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-
2011	\$39	-	-	-	-	-	-	\$39
<b>TOTAL</b>	<b>\$39</b>	<b>\$0</b>	<b>\$270</b>	<b>\$43</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$352</b>

<b>Reduction in Annual Run Rate<sup>3</sup></b>								
<b>(\$ millions)</b>								
<u>CY</u>	<u>NON-BARG</u>	<u>NRLCA</u>	<u>APWU</u>	<u>NPMHU</u>	<u>PPO</u>	<u>NPPN</u>	<u>NALC</u>	<u>TOTAL</u>
2006	\$1	-	-	-	-	-	-	\$1
2007	\$8	-	\$2	\$0	-	-	-	\$10
2008	\$67	\$3	\$203	\$24	\$0	-	\$10	\$308
2009	\$186	\$47	\$164	\$18	\$1	\$0	\$238	\$653
2009	-	-	\$1,294	\$202	-	-	-	\$1,496
2010	\$7	\$0	\$3	\$1	-	-	\$0	\$11
2011	-	-	\$15	\$0	-	-	\$17	\$33
2011	\$218	-	-	-	-	-	-	\$218
<b>TOTAL</b>	<b>\$487</b>	<b>\$50</b>	<b>\$1,682</b>	<b>\$245</b>	<b>\$1</b>	<b>\$0</b>	<b>\$265</b>	<b>\$2,729</b>

**Notes:**

1. If a year is shown twice, it is shown to distinguish between monetary and non-monetary offerings.
2. Cost of Incentive is calculated using \$15,000 per eligible bargaining employee and \$20,000 per eligible non-bargaining employee. A blank section under the cost of incentive implies that no monetary incentive was offered.
3. Reduction in Annual Run Rate is calculated using the average annual S&B of employees who accepted the offering. We are unable to provide savings as this would require an estimate of when an employee would have otherwise retired.

**INSTITUTIONAL RESPONSES OF UNITED STATES POSTAL SERVICE  
TO NATIONAL POSTAL MAIL HANDLERS UNION INTERROGATORIES,  
REDIRECTED FROM WITNESS RACHEL**

**NPMHU/USPS-T8-9.** On page 17 of your testimony, you state that "[t]ypically, there are few, if any, remaining unplaced employees" where consolidations occur in metropolitan locations with gaining facilities in the commuting area.

- (a) Please confirm that, as a result, in cases where consolidations occur in metropolitan locations with gaining facilities in the commuting area, there will be little labor cost savings, as employees will be transferred to gaining facilities.
- (b) If (a) is not confirmed, please explain how the labor cost savings arise, if "there are few, if any, remaining unplaced employees."

**RESPONSE:**

- (a) Not confirmed.
- (b) The reassignment of employees from facilities where they are not needed to facilities where they are needed to cover existing vacancies obviates the need for hiring and, thus, serves to capture attrition, reduce complement and achieve labor cost savings.

**INSTITUTIONAL RESPONSES OF UNITED STATES POSTAL SERVICE  
TO NATIONAL POSTAL MAIL HANDLERS UNION INTERROGATORIES,  
REDIRECTED FROM WITNESS RACHEL**

**NPMHU/USPS-T8-11.** Has the Postal Service made any projections of the costs that will be associated with reductions in force or relocations of employees affected by facility consolidations?

- (a) If the answer to the above is yes, please identify how those were factored into the calculation of the \$2.1 billion in projected savings.
- (b) Please provide calculations of the costs that will be associated with reductions in force or relocations of employees affected by facility consolidations.

**RESPONSE:**

No.

(a) N/A

(b) Because any costs associated with reductions in force or relocations of employees resulting from facility consolidations would be driven by many factors such as the final decisions of the facilities that would be consolidated, the specific reassignment opportunities that are present in those locations at the time of impact, and employee decisions related to those opportunities, it is not possible to produce reliable estimates of those costs at this time.

**INSTITUTIONAL RESPONSES OF UNITED STATES POSTAL SERVICE  
TO NATIONAL POSTAL MAIL HANDLERS UNION INTERROGATORIES,  
REDIRECTED FROM WITNESS RACHEL**

**NPMHU/USPS-T8-12.** Please explain the effects of the Postal Service's Sources Sought Notice Network Optimization, seeking interested suppliers to provide transportation management services, on Postal Service staffing under the MPNR, including in your answer the following:

- (a) If the Postal Service moves forward with engaging third parties suppliers to provide transportation management services, including loading and unloading vehicles at cross-dock distribution hubs, would that result in Postal staffing reductions beyond the FTE reductions currently anticipated by the Postal Service?
- (b) Does the Postal Service's anticipated FTE reductions under the MPNR [include] jobs performed by Postal employees that would potentially be performed by employees of suppliers providing transportation management services as sought in the Sought Notice Network Optimization?
- (c) How many cross-dock distribution hubs are contemplated by the Postal Service under the MPNR?
- (d) If the Postal Service operated the cross-dock distribution hubs using Postal employees, rather than contractors, under the MPNR; how many Postal jobs or FTEs would be required to staff these hubs?

**RESPONSE:**

- (a-b) The Sources Sought Notice Network Optimization (SSNNO) is a public request for information. The purpose of the SSNNO is to determine the existence of potential suppliers in the marketplace that are capable of providing transportation management services to the Postal Service. Based on the supplier responses to the SSNNO, the Postal Service may decide to contract for these services. Because such decisions have not been made, however, the SSNNO will not have any effect on Postal Service staffing under the MPNR and the impact on postal staffing reductions beyond the MPNR is unknown.
- (c-d) The specific number of cross-dock distribution hubs and the staffing requirements at those hubs were not considered by the Postal Service when

**INSTITUTIONAL RESPONSES OF UNITED STATES POSTAL SERVICE  
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REDIRECTED FROM WITNESS RACHEL**

**RESPONSE TO NPMHU/USPS-T8-12 (CONT.):**

developing the MPNR.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF PUBLIC REPRESENTATIVE**

**PR/USPS-2**

Please provide all documents or correspondence relating to the proposed changes at issue in this docket sent from the Postal Service to mailers or other members of the public dated between January 1, 2011 and December 15, 2011. Duplicate copies of form responses need not be produced.

**RESPONSE**

The Postal Service's Consumer and Industry Affairs unit has principal responsibility for customer outreach. In response to this interrogatory, a search of its files was conducted to identify documents and correspondence responsive to this request. In order to be comprehensive, the Postal Service increased the breadth of its search to include documents that pertained to communications with mailers or members of the public relating to the proposed service changes. Documents collected as a result of this search, which includes all documents responsive to the request, are provided in library reference LR-N2012-1/41.

REVISED INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO PUBLIC REPRESENTATIVE INTERROGATORIES,  
REDIRECTED FROM WITNESS RACHEL

PR/USPS-T8-1

Please provide the total current number of Full Time Equivalent (FTE) employees and an estimate of the number of non-managerial FTEs that would need to be eliminated in order to implement the proposal in this docket by the following categories.

- a. FTE Clerks.
  - i. Current Total
  - ii. Estimated Number Required to be Eliminated
  
- b. FTE Mail Handlers
  - i. Current Total
  - ii. Estimated Number Required to be Eliminated
  
- c. FTE Motor Vehicle Operators
  - i. Current Total
  - ii. Estimated Number Required to be Eliminated
  
- d. FTE Maintenance Personnel
  - i. Current Total
  - ii. Estimated Number Required to be Eliminated

**RESPONSE:**

FTE represents the full time equivalent of all work-hours in an employee category divided by the average number of hours worked by a full time employee in a year.

Current Total FTEs provided below reflect an average for FY2011. This is based on the CRA development of labor costs, as provided in Docket No ACR 2011, USPS-FY11-7.

In response to each part ii, below, we have provided the amount of FTEs consistent with the savings put forth in the testimonies of witnesses Smith, USPS-T-9, and Bradley, USPS-T-10. As such, FTEs in this context do not equate to the number of staff to be "eliminated". It is the FTE reductions consistent with the savings.

REVISED INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE  
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- a. i 155,627.0
  - ii 9,184.1
- b. i 50,419.2
  - ii 6,132.0
- c. i 7,808.7
  - ii 1,387.2
- d. i 40,616.2
  - ii 6,449.4

**INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO PUBLIC REPRESENTATIVE INTERROGATORIES,  
REDIRECTED FROM WITNESS RACHEL**

**PR/USPS-T8-2**

Please provide the number of non-managerial employees that do not have layoff protection in the following categories.

- a. FTE Clerks.
- b. FTE Mail Handlers
- c. FTE Motor Vehicle Operators
- d. FTE Maintenance Personnel

**RESPONSE:**

Please see the explanation for proper use of the descriptor "FTE" or "FTEs" in the response to PR/USPS-T8-1. The number of actual employees that do not have layoff protection in the following categories are as follows:

- a. Clerks: 385
- b. Mail Handlers: 2515
- c. Motor Vehicle Operators: 0
- d. Maintenance Personnel: 0

**INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO PUBLIC REPRESENTATIVE INTERROGATORIES,  
REDIRECTED FROM WITNESS RACHEL**

**PR/USPS-T8-3**

Please refer to your testimony at page 13, which mentions several avenues through which existing Postal Service employees may exit the Postal Service, including Very Early Retirement (actually Voluntary Early Retirement), Attrition, and Layoffs. Please provide a breakdown, of all bargaining and non-bargaining Clerks, Mail Handlers, Motor Vehicle Operators, and Maintenance Personnel, for Fiscal Years 2005 through 2010, who:

- a. Took early retirement,
- b. Took optional retirement,
- c. Were laid off,
- d. Separated from the Postal Service for any other reason, or
- e. Were new FTE hires.

**RESPONSE:**

Listed in the chart on the following page are the number of actual employees Clerks, Mail Handlers, Motor Vehicle Operators, and Maintenance employees leaving or entering Postal Service employment during FY2005-FY2010.

INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO PUBLIC REPRESENTATIVE INTERROGATORIES,  
REDIRECTED FROM WITNESS RACHEL

PR/USPS-T8-3

FY's

Request	Craft	2005	2006	2007	2008	2009	2010	TOTAL
(A) EARLY RETIREMENT	CLERK	591	303	29	58	4,669	3,565	9,215
	MAIL HANDLER	1	4	2	1	623	503	1,134
	MV OPERATOR	20	4	0	0	43	35	102
	MAINTENANCE	159	15	0	1	380	388	943
<b>(A) EARLY RETIREMENT Total</b>		<b>771</b>	<b>326</b>	<b>31</b>	<b>60</b>	<b>5,715</b>	<b>4,491</b>	<b>11,394</b>
(B) OPTIONAL RETIREMENT	CLERK	5,379	5,355	5,644	5,595	6,138	11,819	39,930
	MAIL HANDLER	1,077	1,065	1,077	1,212	1,250	2,378	8,059
	MV OPERATOR	218	178	218	185	210	396	1,405
	MAINTENANCE	1,083	1,070	1,149	1,164	1,092	2,087	7,645
<b>(B) OPTIONAL RETIREMENT Total</b>		<b>7,757</b>	<b>7,668</b>	<b>8,088</b>	<b>8,156</b>	<b>8,690</b>	<b>16,680</b>	<b>57,039</b>
(C) LAID OFF	CLERK	0	0	0	0	0	0	0
	MAIL HANDLER	0	0	0	0	0	0	0
	MV OPERATOR	0	0	0	0	0	0	0
	MAINTENANCE	0	0	0	0	0	0	0
<b>(C) LAID OFF Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
(D) ALL OTHER SEPARATIONS	CLERK	6,343	5,726	5,077	4,279	3,270	3,181	27,876
	MAIL HANDLER	1,727	1,646	1,788	1,695	1,237	1,295	9,388
	MV OPERATOR	302	279	256	270	134	134	1,375
	MAINTENANCE	860	794	788	734	567	538	4,281
<b>(D) ALL OTHER SEPARATIONS Total</b>		<b>9,232</b>	<b>8,445</b>	<b>7,909</b>	<b>6,978</b>	<b>5,208</b>	<b>5,148</b>	<b>42,920</b>
(E) CAREER APPOINTMENTS	CLERK	9,539	6,449	3,388	2,174	13	15	21,578
	MAIL HANDLER	3,701	2,589	2,827	1,355	3	1	10,476
	MV OPERATOR	844	780	677	545	37	2	2,885
	MAINTENANCE	911	1,142	1,007	931	183	3	4,177
<b>(E) CAREER APPOINTMENTS Total</b>		<b>14,995</b>	<b>10,960</b>	<b>7,899</b>	<b>5,005</b>	<b>236</b>	<b>21</b>	<b>39,116</b>

Data Source: EDW/HRBI (12/22/2011)

Note:

Early Retirement = NOA 303

Optional Retirement = NOA 302

All Other Separations = NOAs 301, 310, 311, 313, 317, 320, 324, 325, 326, 328, 329, 346, 350, 356

Career Appointments = NOAs 100, 101, 130, 140, 160, 161, 500, 501

Does not include HQ/APWU - ITIASC, Operating Services or Material Support employee categories

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22. Please refer to the specified spreadsheets within the following library references.

<b>Library Reference</b>	<b>Spreadsheet</b>
USPS-LR-N2012-1/10	FY2010_EOR_RunDownIdleTime Lib Ref.xls
USPS-LR-N2012-1/10	Outgoing Secondary Workload Library Reference.xls
USPS-LR-N2012-1/11	Air Transportation Volume Diversion Data.xls
USPS-LR-N2012-1/11	Plant to Post Office - Operating Miles Reductions.xls
USPS-LR-N2012-1/20	Night Diff Calcs.By LDC.xls
USPS-LR-N2012-1/23	LR23 Tables.xls
USPS-LR-N2012-1/24	Smith Testimony Attachments.xls
USPS-LR-N2012-1/24	Smith Testimony Tables.xls
USPS-LR-N2012-1/31	eMARS_WHEP_Staffing Changes Final_AM_v5.xlsx
USPS-LR-N2012-1/31	Study Sites minus non MP Sq Ft MASTER REV 1.xlsx
USPS-LR-N2012-1/31	Summary of maintenance labor and other Savings Nov 24th.xlsm
USPS-LR-N2012-1/33	Copy of FY11_Parts_Network Consolidation Analysis.xls

For each spreadsheet, please provide:

- a. a description of input and output data files;
- b. definitions of all input and output variables or sets of variables;
- c. all sources of input data, and explanations of any modifications to such data made for use in the program; and
- d. the input data and any programs necessary to replicate the output data.

**RESPONSE:**

The response for each library reference and spreadsheet listed above is provided separately, in the same order as listed above.

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USPS-LR-N2012-1/10	FY2010_EOR_RunDownIdleTime Lib Ref.xls
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a. The file, FY2010\_EOR\_RunDownIdleTime.xls, was created by extracting raw Fiscal Year 2010 End of Run (EOR) Data for all EOR facilities (see list in column B), for all equipment at these sites, for all runs. The EOR data for FY 2010 has millions of runs containing for each the information described in part b, and also much volume data for the run, including totals and by bin/stacker. EOR data for FY 2011 was also summarized in this same way, with a further breakdown by equipment type and day of week in USPS-LR-N2012-1/44. All operation numbers were included with the exception of operation number 750. 750 was excluded because it represents maintenance runs, not mail sorting runs. It was output in a bar delimited flat file. This bar delimited file was read in to MS Excel for analysis.

The output file is FY2010\_EOR\_RunDownIdleTime.xls. Cells A3 through F895 is the raw EOR data. In cell D2, E2, and F2 are the column totals of Run-Time, Down-time, and Idle time respectively.

Cell G2 creates a percent of idle time, by dividing the Idle time by the sum of Idle-time, run-time, and down-time.

The table in cells I4 through M14 includes additional sensitivities for idle time based on percentiles. This analysis is not utilized.

b. Data Description:

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Site ID: A Unique ID for each End of Run Site

EOR Name: End of Run Site Name

9-Digit ZIP Code: The 9-Digit ZIP Code of the End of Run Site.

Run-Time: the machine belts are turning during an operational run.

Down-Time: Machine is unavailable during an operational run due to maintenance event

Idle Time: During an operational run, a machine is not running, but is available to do so.

Percent Idle time (cell G3)= (Idle-Time)/(Run Time + down Time + idle time)

c. Data is extracted directly from End of Run data base. In the SQL query, run-time, down-time, and idle-time are summed for Fiscal Year 2010 by end of run site for all operation except 750 (maintenance runs).

d. SQL used:

```
select eor.site_id as siteid, substr(pf.site_name,1,32) as sitename,pf.zip_code_id as
faczip,
    round(sum(ad.run_time)/3600,2) as runtime,
    round(sum(ad.down_time)/3600,2) as downtime,
    round(sum(ad.idle_time)/3600,2) as idletime
from application_data ad, end_of_run eor, postal_facility pf, machine m,machine_type
mt
where ad.run_sequence_nbr=eor.run_sequence_nbr
    and pf.site_id=eor.site_id
    and eor.mods_date>='01-oct-09'
    and eor.mods_date<'01-oct-10'
    and eor.machine_id=m.machine_id
    and m.mach_type_code=mt.mach_type_code
    and ad.run_time>0
    and (trunc(ad.mail_operation_nbr/1000) not in ('750'))
group by eor.site_id,substr(pf.site_name,1,32),pf.zip_code_id
order by eor.site_id
;
```

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USPS-LR-N2012-1/10	Outgoing Secondary Workload Library Reference.xls
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Note: A spreadsheet called Outgoing Secondary Workload Library Reference.xls, initially filed in USPS-LR-N2012-1/10, was withdrawn. It was replaced with a non-public version USPS-LR-N2012-1/NP5 and a public version USPS-LR-N2012-1/38. This response will address both of these versions. This spreadsheet supports witness Neri's testimony, USPS-T-4 at pages 17-18 and also supports witness Smith's testimony, USPS-T-9 at pages 22-23 and USPS-LR-N2012-1/23, spreadsheet LR23Tables.xls, tab Section One.

Background

Letters: The conclusion that outgoing secondary (OGS) for automated letters will no longer be required in the proposed network is supported as follows. With 127 destination SCFs, all automated letters will be finalized on the outgoing primary (OGP) because each letter sorter has enough bins (approximately 220) to accommodate all destination SCFs. Therefore, all piece handlings recorded in the Management Organization Data System (MODS) that correspond to automated outgoing secondary processes will be eliminated.

Flats: The Outgoing Secondary for automated flats will still be required in the proposed network but its magnitude, in terms of piece handlings, will be reduced. With 127 destination SCFs, most automated flats will be finalized on the outgoing primary because each flat sorter has enough bins (approx 100) to accommodate the heavy volume SCFs. Therefore, a significant reduction of piece handlings recorded in the

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Management Organization Data System (MODS) that correspond to automated outgoing secondary processes will be eliminated.

For the purposes of this library reference, 75 bins were used as a conservative approximation of the number of flat sorter bins that could be used to finalize on the outgoing primary. In other words, it is assumed that only 75 bins would be used for receiving the 75 highest volume destination plants, and the rest of the volume would be assumed to require an outgoing secondary sort. Since outgoing secondary MODS data is not available by destination, Origin Destination Information System (ODIS) data was used to calculate a distribution of volume that could be finalized on the outgoing primary. ODIS volume was aggregated at the Origin Processing Distribution Center (OPDC) to Destination Processing Distribution Center (DPDC) for the proposed network. For each origin, the 75 highest volume DPDCs were assumed to be finalized on the outgoing primary, with the remainder of the volume worked on an outgoing secondary process.

The spreadsheet Outgoing Secondary Workload L R (NP).xls in USPS-LR-N2012-1/NP5 has the five tabs listed below, while the spreadsheet Outgoing Secondary Workload L R public version.xls in USPS-LR-N2012-1/38 only contains the first three tabs.

Summary  
OPN Used  
OPDC-INP SUMMARY  
OPDC-INP  
PLANT\_MAPPING

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**Summary**

a.-d. FY2010 -MODS Average Daily Workload from USPS-LR-N2012-1/48 for the operations listed on tab OPN Used. This is the FY2010 (or current) average daily pieces handled on automated outgoing secondary operations. Proposed Average Daily Workload Network Rationalization is determined on tab OPDC-INP SUMMARY. Workload Difference is the difference, and potential workload savings, between current and proposed workload. This tab provides the information reported in witness Neri, USPS-T-4, page 18 and also used in USPS-LR-N2012-1/23, tab Section One (to support witness Smith's Table 8.).

**OPN Used**

a.-d. For both Letters and flats, the automated MODS outgoing secondary operation numbers and description used for this analysis are listed.

**OPDC-INP SUMMARY**

a.-d. Provides for each proposed OPDC the percentage of OGP volumes requiring an OGS and the OGS volumes, given the FY2010 OGP volumes. The latter is summed to obtain the total OGS volumes under the proposed network. The percentage of OGP volumes requiring a OGS (for a given proposed OPDC) is just the percentage of mail remaining after accounting for the volumes associated with the 75 highest volume DPDCs.

**Key Parameters and Summary Results:**

AFSM 100 OGP Only Bins - the number of flat sorter machine bins that can be used for sorting to destination plants (DPDCs) -- assumed to be 75.

NETWORK FLAT OGP ADV - outgoing primary MODS average daily volume (sum of MODS-OGP for all OPDCs).

NETWORK FLAT OGS ADV - outgoing primary MODS average daily volume (sum of MODS-OGS for all OPDCs).

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OGS/OGP % - the percentage of outgoing primary volume that gets run on the outgoing secondary.

NEW OGS ADV/CURRENT OGS ADV % - ratio of the proposed OGS ADV to the current OGS ADV

**Data Description:**

OPDC\_NASS - NASS code of the proposed origin processing facility

OPDC - Name of the proposed origin processing facility

ODIS-OGP - ODIS volume finalized on the OGP (75 highest volume destinations) from tab OPDC INP, data output ADV\_FCM\_F\_CUMUL

ODIS-OGS - ODIS Total less ODIS-OGP

ODIS-Total - total origin facility ODIS volume from OPDC INP, data input ADV\_FCM\_F.

ODIS-OGP % - ODIS percentage finalized on the OGP - ODIS-OGP/ODIS-Total

ODIS-OGS % - ODIS percentage finalized on the OGS - ODIS-OGS/ODIS-Total

MODS-OGP - MODS average daily outgoing primary volume for each proposed OPDC summed from PLANT\_MAPPING, data input F-OGP

MODS-OGS - MODS average daily outgoing secondary volume - ODIS-OGS% x MODS-OGP

**OPDC-INP**

a.-d. Contains OPDC to DPDC ODIS FCM flats volume for the proposed network. The ODIS ADV (ADV\_FCM\_F) is obtained for each OPDC-DPDC pair by summing all ODIS OZIP3-DZIP3 pairs in which the OZIP3 is serviced by the OPDC and the DZIP3 is serviced by the DPDC and for which the shape is identified as a flat from USPS-LR-N2012-1/11. Data is sorted by OPDC and descending ADV\_FCM\_F so that all DPDCS can be ranked. From this sheet the ODIS volumes and volume share associated with the OGP 75 highest volume DPDCs for each OPDC is determined.

**Data Description.**

OPDC\_NASS - NASS code of the proposed origin processing facility

OPDC - Name of the proposed origin processing facility

DPDC\_NASS - NASS code of the proposed destination processing facility

DPDC - Name of the proposed destination processing facility

ADV\_FCM\_F - ODIS average daily FCM flat volume from the proposed OPDC to the proposed DPDC

ADV\_FCM\_F\_RANK - BY OPDC, the ranking of the highest (1) to the lowest volume DPDC

ADV\_FCM\_F\_CUMUL - cumulative volume by OPDC and ranking

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**PLANT\_MAPPING**

a.-d. Provides both OGP and OGS auto/mech volume for proposed OPDCs. MODS volumes (from USPS-LR-N2012-1/48) for OGP and OGS are split by 3-digit zip based on USPS-LR-N2012-1/11. These 3-digit zips are then ordered or mapped into both the current and proposed OPDC based on USPS-LR-N2012-1/17.

**Data Description:**

OZIP3 - origin 3-digit ZIP Code

C\_OPDC - Name of the current origin processing facility

C\_OPDC\_CODE - NASS code of the current origin processing facility

C\_OPDC\_ZIP5 - ZIP Code of the current origin processing facility

C\_OPDC\_TZ - Time Zone of the current origin processing facility

OPDC - Name of the proposed origin processing facility

OPDC\_CODE - NASS code of the proposed origin processing facility

OPDC\_ZIP5 - ZIP Code of the proposed origin processing facility

OPDC\_TZ - Time Zone of the proposed origin processing facility

F-OGP - is the flats outgoing primary volume (MODS) for AFSM 100 and UFSM 1000 for the applicable OZIP3

F-OGS - is the flats outgoing secondary volume (MODS) for AFSM 100 and UFSM 1000 for the applicable OZIP3.

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USPS-LR-N2012-1/11	Air Transportation Volume Diversion Data.xls
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USPS-LR-N2012-1/11 has one spreadsheet: Transportation Spreadsheets LR.xls This Excel workbook contains the following spreadsheets:

1. Plant to Plant Transportation Summary
2. Plant to Plant Trips
3. Plant to Post Office - Operating Miles Reductions
4. Air Transportation Volume Diversion Summary
5. Air Transportation Volume Diversion Data

Below we provide the requested information for the 3<sup>rd</sup> and 5<sup>th</sup> sheets listed above.

Air Transportation Volume Diversion Data sheet

This response relies on witness Martin's response to POIR No. 1, question 13.

(a) - (d)

<b>Input data files:</b>	<b>Description</b>	<b>Source and Modifications:</b>
Service Standards Matrix for Quarter 1 of FY2011	This matrix contains 850,950 pairs of the following data: Origin Three-Digit ZIP Code (OZIP3), Destination Three-Digit ZIP Code (DZIP3), and the current FCM service standard for each O/D ZIP Code pair.	USPS-LR-N2012-1/62
Current FCM Modes (USPS-LR-N2012-1/25 and USPS-LR-N2012-1/NP7)	This file contains the following information	Was mapped to the service standards matrix using the SAS code contained in the file "Attach.Resp. POIR1.Q13." This SAS code file has been filed under

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	for the current transportation network: Origin 3-digit ZIP Codes, Destination 3-digit ZIP Codes, and current FCM transportation mode (A = Air, S = Surface).	library reference USPS-LR-N2012-1/60.
FY2010 FCM ADV (USPS-LR-N2012-1/NP7)	This file contains the following information for FY2010: OZIP3, DZIP3, and average daily volume (ADV) for FCM.	Origin Destination Information System (ODIS). It is modified using same program or mapped to the service standards matrix using the SAS code contained in the file "Attach.Resp. POIR1.Q13." This SAS code file has been filed under library reference USPS-LR-N2012-1/60.
17_ZipAssignment_Locallnsight spreadsheet	Contains proposed outgoing and incoming facilities for the O/D ZIP Codes and information that links the proposed facilities to ZIP Codes.	library reference USPS-LR-N2012-1/17 (spreadsheet titled "17_ZipAssignment_Locallnsight").

Output data files:	Description:	Input Data and Any Programs Necessary to Replicate Output:
Proposed L201 to SCF Drive Time (USPS-LR-N2012-1/25 and	Proposed facility-to-facility distance information.	ZipAssignment_Locallnsight spreadsheet. PC Miler batchpro version 20.1 was used for road mileage.

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USPS-LR-N2012-NP7)		
Proposed FCM Modes (USPS-LR-N2012-1/25 and USPS-LR-N2012-1/NP7)	Contains the new service standard and transportation mode for each O/D pair.	See witness Martin's response to POIR No. 1, question 13.

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USPS-LR-N2012-1/11

Plant to Post Office - Operating Miles Reductions.xls

Plant to Post Office - Operating Miles Reductions sheet

This response relies on witness Martin's response to POIR No. 1, question 11.

(a) - (d)

<b>Input data files:</b>	<b>Description:</b>	<b>Source and Modifications:</b>
<ol style="list-style-type: none"> <li>1. AMP 1 Grand Island</li> <li>2. AMP 2 Eau Claire</li> <li>3. AMP 3 LaCrosse</li> <li>4. AMP 4 Rochester</li> <li>5. AMP 5 Duluth</li> <li>6. AMP 6 Lafayette</li> <li>7. AMP 7 Norfolk</li> <li>8. AMP 8 Quincy</li> <li>9. AMP 9 Campton</li> <li>10. AMP 10 Owensboro</li> <li>11. AMP 11 Bloomington</li> <li>12. AMP 12 Kalamazoo</li> <li>13. AMP 13 South Florida</li> <li>14. AMP 14 Lancaster</li> </ol> <p>(USPS-N2012-1/27 and non-public library reference USPS-N2012-1/NP8)</p>	<p>These files contain the transportation portions of 14 AMP studies. These portions describe the current and proposed costs for Postal Vehicle Service ("PVS") and Highway Contract Route ("HCR") transportation.</p>	<p>Same as input data files, no modification made.</p>

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USPS-LR-N2012-1/20	Night Diff Calcs.By LDC.xls
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a. Description of input and output data files;

There are two tabs in the spreadsheet. The one entitled "TACS Data" includes a data extract drawn from the Postal Service's Time and Attendance Collection System" and shows the September, 2011 labor hours, by mail processing operation groupings (see Neri Testimony, USPS-T-4, at page 26 (Figure 10), by hour of day. This data is from all Function 1 facilities and includes clerks, mail handlers and supervisors under the MODS operations consistent with the operational groupings listed below.

The tab entitled, "PSFR Data" includes an extract from the Postal Service Financial Reporting System for mail processing facilities and shows the total mail processing wage dollars paid and hours worked for hours covered by the night differential in FY2010.

b. Definitions of variables:

On the tab entitled, "TACS Data"

SumOfHour(i)	This is the September, FY2011 TACS hours for each mail processing operation, by hour of the day.
Shape	This is the variable that defines each mail processing operational grouping. See below list describing each grouping.
Total Hrs	This is the total September, FY2011 hours for each mail processing operation
ND Hrs	This is the total September, FY2011 hours covered by the night differential for each mail processing operation.
New Tot Hours	This is also the total September, FY2011 hours for each mail processing operation.
New ND Hrs	This is the total September, FY2011 hours which would be covered by the night differential for each mail processing operation under the new operating plan. This is developed as discussed in witness Neri's testimony, USPS-T-4, at page 25 based on the planned operational windows -- see USPS-

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T-4, page 22. Outgoing operations night shift hours were taken to be the same as actual. The Supervision night shift hours were adjusted proportionally with all other operations. Similarly, LDC 17 Flat Mail Prep for AFSM night shift hours was based on the share of AFSM hours for night shift.

**Current % ND** This is the ratio, by LDC, of the hours covered by the night differential to the total hours in September, FY2011

**Future % ND** This is the ratio, by LDC, of the hours that would be covered by the night differential to the total hours under the new operating plan

On the tab entitled, "PSFR Data"

<b>PaysumLineNumDesc</b>	<b>Description of pay category</b>
Month Hours	Wage dollars recorded for mail processing operations in September 2010
Month Dollars	Hours recorded for mail processing operations in September 2010
YTD Dollars	Wage dollars recorded for mail processing operations in FY2010
YTD Hours	Hours recorded for mail processing operations in FY2010
Avg. Night Differential differential	Ratio of YTD Dollars to YTD Hours under the night differential

c. There are two sources of data, as explained above, the Time and Attendance Collection System (TACS) and the Postal Service Financial Reporting System (PSFR). The spreadsheet presents extracts from those systems. There were no modifications of the listed variables prior to their use in the spreadsheet.

d. PFRS data is contained in USPS-LR-N2012-1/52 and USPS-LR-N2012-1/58.

**Operational Groupings**

10All	F1 Supervisors
11inp	Auto Letter Incoming Primary
11ins	Auto Letter CRT/DPS
11int	Auto Letter International
11og	Auto Letter Outgoing

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12ainp	Auto Flat AFSM Incoming Primary
12ains	Auto Flat AFSM CRT
12aog	Auto Flat AFSM Outgoing
12fss	Auto Flat DPS
12inp	Auto Flat non-AFSM Incoming Primary
12ins	Auto Flat non-AFSM CRT
12int	Auto Flat International
12nc	Auto Flat Other
12og	Auto Flat non-AFSM Outgoing
13inp	Mech Package Incoming Primary
13int	Mech Package International
13nc	Mech Package Other
13og	Mech Package Outgoing
14inp	Manual Incoming Primary
14ins	Manual CRT
14int	Manual International
14OG	Manual Outgoing
15lcrem	LCREM Operations
15lmlm	LMLM Operations
15rec	REC Operations
17afsm	LDC 17 Flat Mail Prep - AFSM
17can	LDC 17 Cancellation Operations
17dock	LDC 17 Dock Related Operations
17idock	LDC 17 Inbound Dock Operations
17inp	LDC 17 Incoming Prep & Movement
17nc	LDC 17 Other
17odock	LDC 17 Outbound Dock Operations
17OG	LDC 17 Outgoing Prep
17pre	LDC 17 Presort Operations
180	LDC 18 Operations To Ignore
18All	LDC 18 All Other Operations
OtherAll	Non-Function1 Operations & F1 Training

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USPS-LR-N2012-1/23	LR23 Tables.xls
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LR23Tables.xls has the following tabs:

**Section One titled Table 8: Savings Due to Reduction in Outgoing Secondary**

**Sorting**

a.-d. Contains Table 8 of USPS-T-9 (also contained in Smith Testimony Tables.xls of USPS-LR-N2012-1/24) and additional supporting calculations. Input data is from the following sources. Annual Volume Reduction in Outgoing Secondary (TPH) for DBCS was FY 2010 Outgoing Secondary MODS volumes for the operations listed on this tab using data in USPS-LR-N2012-1/48. Annual Volume Reduction in Outgoing Secondary (TPH) for AFSM 100 and UFSM 1000 was obtained in two steps. First, FY 2010 Outgoing Secondary MODS volumes were obtained for the AFSM 100 and UFSM 1000 operations listed on this tab. Second, it was determined these volumes could be reduced by an average daily volume of 676,161 which is an annual volume of 204.2 million (at 302 days). This reduction is from USPS-LR-N2012-1/38 Outgoing Secondary Workload Data and also USPS-LR-N2012-1/NP5 Outgoing Secondary Workload Data (Non-Public).

Labor Savings per TPH was obtained from tab YRscrub2010 N2012-1 as discussed below. Factors for Service-wide benefits and Miscellaneous Postal Supplies and Services were obtained from Tables 1 and 2, respectively.

**Section Two titled Table 9: Savings Due to Eliminating CSBCS and UFSM 1000**

**Sortation**

a.-d. Contains Table 9 of USPS-T-9 (also contained in Smith Testimony Tables.xls of USPS-LR-N2012-1/24) and additional supporting calculations. Input data is from the

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following sources. Annual Volume Eliminated for CSBCS and UFSM 1000 was a multi-step process, starting in both cases with FY 2010 volume of sorts from End of Run (EOR) data.

These FY2010 volumes are reduced to reflect equipment removals taken place from mid-year FY2010 to the end of FY2011, based on data from Docket No. ACR 2010, USPS-FY10-8, spreadsheet FCILTY10.xls. and end of FY2011 EOR data on amount of CSBCS and UFSM 1000 remaining in use. Finally, the CSBCS 3-pass volumes are converted to volumes requiring DPS based on data accept rates from spreadsheet Spreadsheet "USPS-FY-10\_FCM\_PRST\_LETTERS\_MPFinal N2012-1.xls" discussed below. Labor Savings per piece to be delivery point sequenced (or DPS) on DBCS instead of CSBCS was obtained from tab USPS-FY10\_FCM ..N2012-1 as discussed below. Labor Savings per TPH for UFSM 1000 was obtained from tab YRscrub2010 N2012-1 as discussed below. Factors for Service-wide benefits and Miscellaneous Postal Supplies and Services were obtained from Tables 1 and 2, respectively.

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**Section Three titled Table 10: Savings Due to Additional Automated Sorting of Letters**

a.-d. Contains Table 10 of USPS-T-9 (also contained in Smith Testimony Tables.xls of USPS-LR-N2012-1/24). Input data is from the following sources. Annual Volume Added to DPS was obtained from EOR volumes for August, 2011 and multiplied by 12 to get an annual volume. The change in processing labor costs per piece was obtained from tab USPS-FY10\_FCM ..N2012-1 as discussed below. Factors for Service-wide benefits and Miscellaneous Postal Supplies and Services were obtained from Tables 1 and 2, respectively. Carrier savings per piece are from tab DPS Delivery Savings as discussed below.

**Table 1 titled Table 1: FY 2010 Service Wide Benefits**

a.-d. This is Table 1 of USPS-T-9 (also contained in Smith Testimony Tables.xls of USPS-LR-N2012-1/24) and was discussed above.

**Table 2 titled Table 2: Miscellaneous Postal Supplies & Services Factor**

a.-d. This is Table 2 of USPS-T-9 (also contained in Smith Testimony Tables.xls of USPS-LR-N2012-1/24) and was discussed above.

**DPS Delivery Savings titled DPS Delivery Savings**

a.-d. Input data is from the following sources. The carrier savings due to additional DPS was based on rural carrier costs from Docket No. ACR 2010, USPS-FY10-19, Delivery costs by shape, spreadsheet USPS-FY10-19, UDCmodel10.xls, sheet 6.Rural cost. Rural carrier piggyback factor is from Docket No ACR2010, USPS-FY10-24. The 98.61 percent rate pieces who are DPS to pieces becoming DPS is from spreadsheet Spreadsheet "USPS-FY-10\_FCM\_PRST\_LETTERS\_MPFinal N2012-1.xls" discussed below.

**YRscrub2010 N2012-1 titled Inputs from YRscrub2010 N2012-1.xls**

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a.-d. Input data is from the spreadsheet YRscrub2010 N2012-1.xls. Spreadsheet "YRscrub2010 N2012-1.xls," which is also part of USPS-LR-N2012-1/23, is the spreadsheet YRscrub2010.xls from Docket no. ACR 2010, USPS-FY10-23. It has been modified to calculate the specific labor unit costs needed for tabs Sections One and Two. The labor cost per piece for Outgoing Secondary sort to be eliminated (for tab Section One) are calculated using the TPF/Hour and TPH/TPF ratio from USPS-FY10-23 along with the cost per workhour for "Other Mail Processing" from USPS –FY10-7, part 8 and the variabilities from part 1. These calculations of labor cost per piece parallel that done in USPS-FY10-10 and USPS-FY10-11. The labor costs for AFSM 100 and UFSM 1000 used to determine the savings for elimination of UFSM 1000 sorting in tab Section Two is likewise are calculated using the TPF/Hour from USPS-FY10-23 along with the cost per workhour for "Other Mail Processing" from USPS –FY10-7, part 8 and the variabilities from part 1.

**USPS-FY10\_FCM ..N2012-1 titled Inputs from USPS-FY-**

**10\_FCM\_PRST\_LETTERS\_MPFinal N2012-1.xls**

a.-d. Input data is from the Spreadsheet "USPS-FY-10\_FCM\_PRST\_LETTERS\_MPFinal N2012-1.xls," which is part of USPS-LR-N2012-1/23. USPS-FY-10\_FCM\_PRST\_LETTERS\_MPFinal N2012-1.xls is simply the spreadsheet filed in Docket ACR 2010, USPS-FY10-10, USPS-FY-10\_FCM\_PRST\_LETTERS\_MPFinal.xls on December 29, 2010. – with the modification as follows. It has been modified to remove piggyback factors, premium pay factors. There are four blue highlighted model tabs containing the results used. They are as follows:

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**AUTO 5-DIGIT OTHER COST** -- this is the labor cost for 2-pass DPS on a DBCS, including manual processing of rejects and handling costs for post office box letters. The AUTO 5-DIGIT OTHER COST tab also provides the 98.61 percent used as an input for DPS Delivery Savings tab. AUTO 5-DIGIT OTHER MODEL tab was unaltered., so the only changes made vis-à-vis the ACR 2010 model was the removal of piggyback and premium pay factors.

**Auto 5-digit CSBCS-Man Cost** -- this is the labor cost for automated incoming secondary on a DBCS, including manual processing of rejects and handling costs for post office box letters. The Auto 5-digit CSBCS-Man Model was revised to eliminate the 3 pass DPS on the CSBCS.

**Auto 5-digit CSBCS-Man Cost (3)** --- this is the labor costs for Auto incoming secondary and DPS on CSBCS, including manual processing of rejects and handling costs for post office box letters. Auto 5-digit CSBCS-Man Model (3) is a modified Auto 5-digit CSBCS-Man Model -- so that all volumes receive DPS via CSBCS.

**Auto 5-digit CSBCS-Man Cost (2)** -- this is the labor costs for manual incoming secondary and handling costs for post office box letters. Auto 5-digit CSBCS-Man Model (2) is a modified Auto 5-digit CSBCS-Man Model -- so that all pieces receive manual incoming secondary.

Accept Rates for the DPS with 3 passes is directly from tab Accept, without any modification.

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USPS-LR-N2012-1/24	Smith Testimony Attachments.xls
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Smith Testimony Attachments.xls has following tabs:

**Attachment 1 titled Productive Hourly Rates for FY 2010 by Cost Segment**

a-d. Source: Docket No. ACR2010, USPS-FY10-7, part8.xls. This has been provided in past ACRs (and in Omnibus Rate Cases) to provide cost per work hour by cost segment and in some cases sub-segment. See also Docket No. ACR2009, USPS-FY09-7, part8.xls, which is further documented by Response of U.S. Postal Service to Chairman's Information Request No. 3, Question 20. (Feb 5, 2010). The final column, "Productive Hourly Rate" is used by witness Bradley, USPS-T-10.

**Attachment 2 titled Productive Hourly Rates for FY2010 for Maintenance and Custodial**

a-d. The source is the same as for Attachment 1, including additional detail from the National Consolidated Trial Balance and the National Payroll Hours Summary Report. The methods used were the same or similar to that as provided in Docket No. N2010-1, Response to Chairman's Information Request No. 1, Question 4, filed April 28, 2010. The "Average Annual Rate" is used to calculate maintenance and custodial savings in Table 3 and 5 of witness Smith's testimony, USPS-T-9.

The calculation of "Ratio of Supervision to Staff Work Years in Maintenance and Custodial Workyears" is as shown in the spreadsheet. The ratio of 0.080372 supervisor work years per maintenance and custodial staff work year is used to compute the reduction in the number of supervisor positions in Tables 3 and 5.

**Attachment 3 titled Labor And Non-Personnel Costs For Processing Facilities**

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a.-d. The input for this attachment is the National Consolidated Trial Balance FY2010 costs for the mail processing facilities that are the focus of the network analysis, using costs by finance number. This data is provided in USPS-LR-N2012-1/58. The portion of the data from this library reference used for Attachment 3 includes all Function 1 processing facilities (see USPS-LR-N2012-1/34), excluding NDCs, ISCs and RECs. All costs associated with these finance numbers are included in Attachment 3 except for cost segment 14, Purchased Transportation. These costs were aggregated for all these facilities, by expense account number. Then these costs are aggregated to Trial Balance component totals show in Attachment 3. The aggregation process is the same as that applied to the General Ledger to get the Trial Balance costs (See Docket No. ACR 2010, USPS-FY10-5). For instance in the case of cost segment 3, the Trial Balance contains one CRA component, component 253. Attachment 3 shows the cost for this component of \$7,788.3 million, which is total clerk and mail handler costs for these facilities.

The outputs are used in Table 2 of USPS-T-9, directly from Attachment 3 as discussed below for spreadsheet "Smith Testimony Tables," tab Table 2. While Attachment 3 shows these costs in aggregate for all network processing facilities, we also obtained these costs separately for Active and Inactive facilities for use in developing costs in Table 6 of USPS-T-9.

USPS-LR-N2012-1/24	Smith Testimony Tables.xls
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Smith Testimony Tables.xls—has the following tabs:

**Table 1 titled FY 2010 Service Wide Benefits**

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a.-d. Input data from Docket No. ACR 2010, USPS-FY10-31, Total Accrued Costs for following cost components and sources (from tab CS18, unless otherwise noted).

Component Name	Component No.	Source
Repriced Annual Leave	292	FY10.CRpt.xls
Holiday Leave Adjustment	487	FY10.CRpt.xls
Workers Compensation Current Year	204	FY10.ARpt.xls
Unemployment Compensation	453	FY10.CRpt.xls
Annuitant Health Benefits--Earned (Current)	202*	FY10.BRpt.xls
Civil Service Retirement System (CSRS)-- Earned	202*	FY10.BRpt.xls
Annuitant Life Insurance	71	FY10.CRpt.xls
Total Service-Wide Benefits		Sum of above
Total Salary and Benefits	433 (cell GU436)	FY10.B.xls, tab OutputMatrix

\*Component 202 is \$4.095 billion. This is the amount of benefits earned during the fiscal year by current employees, benefits not contained in the labor cost segments of 1-13, 16, 18, and 19. It includes both the retiree health benefits of \$3.055 billion (see Postal Service's 10-K Annual Report, page 22) and CSRS pensions of \$1,040,064,152. The sum of these two benefits is \$4,095,064,152. This is described in "Summary Description of USPS Development of Costs by Segments and Components, Fiscal Year 2010," filed with the Postal Regulatory Commission on July 1, 2011.

The output associated with this table is the Service-Wide Benefits per \$1,000 of Salary & Benefits of \$111.54. This is used to compute the service-wide benefits savings associated with the personnel savings in Tables 3, 5, 8-9 and 10 of witness Smith, USPS-T-9 and also at pages 28 and 35 (Table 13) of witness Bradley, USPS-T-10.

**Table 2 titled Miscellaneous Postal Supplies & Services Factor**

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a.-d. Input data is from Attachment 3 as follows. Miscellaneous Postal Supplies and Services is from cost segment 16, component 177, Total postal supplies & services.

Total Current Network Labor costs (comp 527) is the sum of the Postal Service personnel costs for cost segments 1-12. The output associated with this table is the Miscellaneous Supplies and Services per \$1,000 of Salary & Benefits of \$7.81. This is used to compute the Miscellaneous Supplies and Services savings associated with personnel savings in Tables 4, 6, 8-9 and 10 of witness Smith, USPS-T-9 and also at pages 28 and 35 (Table 13) of witness Bradley, USPS-T-10.

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**Table 3 titled Mail Processing Equipment Maintenance Labor Savings**

a.-d. Input data is from the following sources. Change in Authorized Positions for Postal Operating Equipment and Administrative labor are from witness Bratta, USPS-T-5, Part IVA and USPS-LR-N2012-1/31. While witness Bratta does not provide an estimate of changes in the number of supervisor positions, he indicates that he would expect a decline, consistent with the current supervision to staff ratios. Attachment 2 provides the current ratio of supervisors to staff of 0.08037, which is used to calculate reduction in the number of supervisors. Average Annual Rate, which is the average annual salary and benefits for each labor type is from Attachment 2. Service-wide benefits are computed based on the factors from Table 1.

**Table 4 titled Mail Processing Equipment Parts and Supplies Savings**

a.-d. Input data is from the following sources. Decline in annual spare parts costs is from witness Bratta, USPS-T-5, Part IVA and USPS-LR-N2012-1/33. The decline in Biohazard Detection System (BDS) cartridge costs is calculated as the product of the FY2010 BDS cartridge expense of \$32.0 million (see Docket No. ACR 2010, USPS-T-8, fy10equip.xls) and 36 percent. The latter is based on witness Rosenberg, USPS-T-3, Part IV, determination of reduced requirements for Advanced Facer Canceler Systems (AFCS). As a result, there will be a reduced need for BDS cartridges, going from 520 currently to 335, a 36 percent reduction as shown in witness Smith's response to PR/USPS-T9-2, filed on January 4, 2012. Finally, the third component is the decline in miscellaneous postal supplies and services associated with the reduction of \$335.3 million (labor savings excluding service wide benefits) in maintenance personnel costs

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shown in Table 3. Miscellaneous postal supplies and costs decline with this personnel cost reduction at \$7.81 per \$1,000 of salary and benefits is from Table 2.

**Table 5 titled Facility Maintenance and Custodial Labor Savings**

a.-d. Input data is from the following sources. Change in Authorized Positions for Building Maintenance and Custodial Maintenance labor are from witness Bratta, USPS-T-5, Part IV and USPS-LR-N2012-1/31. While witness Bratta does not provide an estimate of changes in the number of supervisor positions, he indicates that he would expect a decline, consistent with the current supervision to staff ratios. Attachment 2 provides the current ratio of supervisors to staff of 0.08037, which is used to calculate reduction in the number of supervisors. Average Annual Rate, which is the average annual salary and benefits for each labor type is from Attachment 2. Service-wide benefits are computed based on the factors from Table 1.

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**Table 6 titled Facility-Related Utilities and Supplies Savings**

a.-d. Input data is from the following sources. Expenses for Inactive sites are based on the data used for Attachment 3, for the inactive sites (or facilities (facilities listed in USPS-LR-N2012-1/34 denoted by "N" in the column "Model Open.")). This is contained in USPS-LR-N2012-1/58. (Attachment 3 contains expenses for Active and Inactive facilities combined for Utilities and Heating Fuel [\$220.8 million] and Custodial Supplies and Services [\$91.9 million]). The percent of inactive site savings, 95 percent, is based on witness Bratta determination that, apart from the need to provide for the 5 percent of space utilized for non-processing purposes, all non-personnel facility related expenses can be saved. See witness Bratta, USPS-T-5, part IV.B. Finally, the third component is the decline in miscellaneous postal supplies and services associated with the reduction of \$206.7 million (labor savings excluding service wide benefits) in maintenance personnel costs shown in Table 5. Miscellaneous postal supplies and costs decline with this personnel cost reduction at \$7.81 per \$1,000 of salary and benefits is from Table 2.

**Table 7 titled Facility Lease and Sale Related Savings**

a.-d. Input data is from the following sources. Potential Annual Earnings from Facility Sales Proceeds is based on earning a 10 annual return on \$327 million sale proceeds. The latter estimate was provided by Facilities. Potential Rent Savings was provided by Facilities. See USPS-T-9, pages 19-20.

**Table 8 titled Savings Due to Reduction in Outgoing Secondary Sorting**

a.-d. See USPS-LR-N2012-1/23, tab Section One

**Table 9 titled Savings Due to Eliminating CSBCS and UFSM 1000 Sortation**

a.-d. See USPS-LR-N2012-1/23, tab Section Two

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**Table 10 titled Savings Due to Additional Automated Sorting of Letters**

a.-d. See USPS-LR-N2012-1/23, tab Section Three

**Table 11 titled Summary of Cost Savings Provided in this Testimony**

a.-d. Inputs: The tabs for Tables 3 to 10 provide inputs.

USPS-LR-N2012-1/31	eMARS_WHEP_Staffing Changes Final_AM_v5.xlsx
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a. This spreadsheet<sup>1</sup> has two tabs "Summary" and "SiteList." The tab "Summary" is the output or results of witness Bratta's testimony, USPS-T-5, on maintenance and custodial staffing changes. It is a summary of the tab "SiteList." The column "Current Authorized" of the "Summary" tab contains the column totals from the "SiteList" tab, by LDC, for the base staffing (columns N to T, with the headers ending in "\_BAS"). The column "New Network Authorized" of the "Summary" tab contains the column totals from the "SiteList" tab, by LDC, for the proposed staffing (columns V to AB, with the headers ending in "\_PRO"). The difference, with the 95 percent adjustment for non-processing space for LDCs 37 and 38, is the column "FTE Savings." This column is used by witness Smith, USPS-T-9, to compute the maintenance and custodial saving associated with the proposed network.

The tab "SiteList" contains the base and proposed staffing numbers for all eMARS Sites. The base staffing (columns N to T, with the headers ending in "\_BAS") are the Authorized positions as of September, 2011. The proposed staffing (columns V to AB, with the headers ending in "\_PRO") are those calculated based on the proposed network facilities and equipment. Parts (b-d) of this response define this data and

<sup>1</sup> This response refers to this spreadsheet as revised 2/24/2012 now called "eMARS\_WHEP\_Staffing Changes Final\_AM\_v5 REVISED.xlsx."

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provide sources for this data. As discussed in part (d), USPS-LR-N2012-1/67 contains input data associated with the columns LCD36\_MPE\_TOT\_BAS and LCD36\_MPE\_TOT\_PRO in "eMARS\_WHEP\_Staffing Changes Final\_AM\_v5 REVISED.xlsx."

b. The following are definitions for data on tab "SiteList."

**AREA\_NAME** - The name of one of each of the seven Areas within the Postal Service.

**DISTRICT\_NAME** - The name of a District within a specific Area.

**eMARS SITE ID** - A unique number that identifies each of the 450+ eMARS Sites.

**SITE\_NAME<sup>2</sup>** - A maintenance capable mail processing facility or facilities associated with a site.

**eMARS FACILITY\_ID** - A unique number (up to 5 digits) that identifies a specific Postal facility within eMARS.

**eMARS FACILITY\_NAME** - The name of a facility as identified by eMARS.

**Complement List Match?** - Used to reconcile finance numbers with other records.

**FINANCE\_NO** - A 6 digit number assigned to a facility for reporting financial information.

**Gross Bldg (MS-1)** - The square footage of a building based on MS-1 (Operation and Maintenance of Real Property) handbook guidelines.

**Gross Interior (MS-47)** - The interior square footage of a building that requires cleaning based on MS-47 (Housekeeping Postal Facilities) handbook guidelines.

**Exterior Paved (MS-47)** - The exterior paved square footage of a facility that requires cleaning based on MS-47 (Housekeeping Postal Facilities) handbook guidelines.

**Exterior Unpaved (MS-47)** - The exterior unpaved square footage of a facility that requires cleaning based on MS-47 (Housekeeping Postal Facilities) handbook guidelines.

**Ext.Pv-UnPv Combined (MS-47)** - The combined square footage of exterior paved and unpaved area.

**LCD36\_MPE\_TOT\_BAS** - The number of approved positions prior to Network Rationalization assigned to LDC (LDC) 36 for the support and maintenance of mail processing equipment.

**LCD37\_BLDG\_MAIN\_TOT\_BAS** - The number of approved positions prior to Network Rationalization assigned to LDC 37 for the support and maintenance of the building and building equipment of a major mail processing facility.

**LCD37\_BLDG\_STA\_TOT\_BAS** - The number of approved positions prior to Network Rationalization assigned to LDC 37 for the support and maintenance of building and building equipment at station/branches of a major mail processing facility.

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<sup>2</sup> Column name was "Gaining\_Site\_Name" in original or unrevised spreadsheet. This was corrected to be "Site\_Name."

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**LCD37\_FMO\_TOT\_BAS** - The number of approved positions prior to Network Rationalization assigned to LDC 37 for the support and maintenance of building and building equipment at Associate Offices.

**LCD39\_MOS\_TOT\_BAS** - The number of approved positions prior to Network Rationalization assigned to LDC 39 for supporting the maintenance operations of a mail processing facility, its stations/branches and Associate Offices.

**LCD38\_BLDSEV\_MAIN\_TOT\_BAS** - The number of approved positions prior to Network Rationalization assigned to LDC 38 for providing custodial cleaning services at a major mail processing facility.

**LCD38\_BLDSEV\_STA\_TOT\_BAS** - The number of approved positions prior to Network Rationalization assigned to LDC 38 for providing custodial cleaning services at stations/branches of a major mail processing facility.

**TOTAL CURRENT** - The sum of LDC 36, 37, 39, and 38 approved positions prior to Network Rationalization.

**LCD36\_MPE\_TOT\_PRO** - The number of proposed positions after implementation of Network Rationalization assigned to LDC 36 for the purpose of supporting and maintaining mail processing equipment.

**LCD37\_BLDG\_MAIN\_TOT\_PRO** - The number of proposed positions after implementation of Network Rationalization assigned to LDC 37 for the support and maintenance of the building and building equipment of a major mail processing facility.

**LCD37\_BLDG\_STA\_TOT\_PRO** - The number of proposed positions after implementation of Network Rationalization assigned to LDC 37 for the support and maintenance of building and building equipment at station/branches of a major mail processing facility.

**LCD37\_FMO\_TOT\_PRO** - The number of proposed positions after implementation of Network Rationalization assigned to LDC 37 for the support and maintenance of building and building equipment at Associate Offices.

**LCD39\_MOS\_TOT\_PRO** - The number of proposed positions after implementation of Network Rationalization assigned to LDC 39 for supporting the maintenance operations of a mail processing facility, its stations/branches and Associate Offices.

**LCD38\_BLDSEV\_MAIN\_TOT\_PRO** - The number of proposed positions after implementation of Network Rationalization assigned to LDC 38 for providing custodial cleaning services at a major mail processing facility.

**LCD38\_BLDSEV\_STA\_TOT\_PRO** - The number of proposed positions after implementation of Network Rationalization assigned to LDC 38 for providing custodial cleaning services at stations/branches of a major mail processing facility.

**TOTAL MAINT REQUIRED** - The sum of LDC 36, 37, 39, and 38 proposed positions after implementation of Network Rationalization.

**LCD36\_BASE vs PRO DIFFERENCE** - The net gain or loss of LDC 36 positions after implementation of Network Rationalization.

**COMMENTS** - Any comments concerning this Site.

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c. The sources for the data on the "SiteList" tab are as follows:

The staffing determination is discussed generally in USPS-LR-N2012-1/32, WHEP Users Guide, 1.0.docm, pages 1-14. Work Hour Estimator Program (WHEP) guidelines are used to estimate maintenance work hours in each functional area. Guidelines contained in the program are derived from existing approved handbooks, MMOs, and other source documents.

For mail processing equipment maintenance, relating to LCD36\_MPE\_TOT\_BAS and LCD36\_MPE\_TOT\_PRO, see USPS-LR-N2012-1/32, WHEP Users Guide, 1.0.docm, pages 1-14 for an overview. For determination of maintenance by equipment type see USPS-LR-N2012-1/59 which contains for each equipment type the prescribed number of annual workhours allocated for preventive, corrective, and operational maintenance. Additional information on the development of LDC 36 maintenance staffing is provided in USPS-LR-N2012-1/67. LCD36\_MPE\_TOT\_BAS are the authorized positions as of September, 2011. LCD36\_MPE\_TOT\_PRO are the staffing needed for the proposed network equipment as per USPS-LR-N2012-1/37.

For building maintenance authorized positions as of September, 2011, the categories are:

LCD37\_BLDG\_MAIN\_TOT\_BAS  
LCD37\_BLDG\_STA\_TOT\_BAS  
LCD37\_FMO\_TOT\_BAS

The process to establish them is provided in USPS-LR-N2012-1/32, WHEP Users Guide, 1.0.docm, pages 1-14 for an overview; USPS-LR-N2012-1/28, MS-1 Staffing Handbook, Section 13 of the MS-1 is applicable to staffing requirements for building maintenance employees.

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The building maintenance proposed staffing under Network Rationalization fit the categories:

LCD37\_BLDG\_MAIN\_TOT\_PRO  
LCD37\_BLDG\_STA\_TOT\_PRO  
LCD37\_FMO\_TOT\_PRO

The last two are the same as "\_BAS" since stations, branches and associate offices are not changing under Network Rationalization. The first category is zero staff for inactive sites as per USPS-LR-N2012-1/34, and otherwise the same as "\_BAS."

For building services (custodial) authorized positions as of September, 2011 are in the categories:

LCD38\_BLDSESV\_MAIN\_TOT\_BAS  
LCD38\_BLDSESV\_STA\_TOT\_BAS

The process to establish them is provided in USPS-LR-N2012-1/32, WHEP Users Guide, 1.0.docm, pages 1-14 for an overview and USPS-LR-N2012-1/29, MS-47 Handbook. The MS-47 is a handbook that provides procedures for determining staffing and scheduling for the building services maintenance (custodial) work force. The requirements of this group include cleaning and preventive maintenance of the building and grounds for all Postal facilities where the USPS is responsible for such services.

The building services proposed staffing under Network Rationalization are the categories:

LCD38\_BLDSESV\_MAIN\_TOT\_PRO  
LCD38\_BLDSESV\_STA\_TOT\_PRO

The last one is the same as "\_BAS" since stations, branches and associate offices are not changing under Network Rationalization. The first category is zero staff for inactive sites as per USPS-LR-N2012-1/34, and otherwise the same as "\_BAS."

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The Maintenance Operations Support (MOS). for both base and proposed staff are in the categories:

LCD39\_MOS\_TOT\_BAS  
LCD39\_MOS\_TOT\_PRO

MOS performs the administrative duties necessary to support the maintenance function. The staffing for this category is given at USPS-LR-N2012-1/32, WHEP Users Guide, 1.0.docm, page 9. The MOS support the total of the other LDC 36- LDC 38 staff at their site. Using the total of LDC 36 to LDC 38 staff, the number of MOS staff is given by the table at page 9.

d. Input data for the columns LCD36\_MPE\_TOT\_BAS and LCD36\_MPE\_TOT\_PRO in "eMARS\_WHEP\_Staffing Changes Final\_AM\_v5 REVISED.xlsx" are provided in USPS-LR-N2012-1/67. This data shows maintenance hours by equipment type for each site both for base and proposed staffing and is described at in USPS-LR-N2012-1/32, WHEP Users Guide, 1.0.docm, pages 2-3 and more fully in USPS-LR-N2012-1/67.

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USPS-LR-N2012-1/33	Copy of FY11_Parts_Network Consolidation Analysis.xls
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a. The spreadsheet, Copy of FY11\_Parts\_Network Consolidation Analysis.xls, shows the dollar value of shipments for FY 2011 from the Topeka Material Distribution Center (MDC) and from suppliers that ship directly to all field maintenance stockrooms, referred to as Direct Vendor Shipment. The data is from the Material Distribution and Inventory Management System (MDIMS) Reporting Server financial tables. The total shipment value is the total identifiable USPS expenditure for automation and mechanization mail processing equipment parts. The estimated mail processing equipment fleet reduction is 40 percent and this is the basis for the estimated savings.

b. Following are the definitions for data in the spreadsheet, Copy of FY11\_Parts\_Network Consolidation Analysis.xls:

- 1) MDC Shipment \$ Value: This row includes the shipment value for FY 2011 and a monthly breakdown for shipments from the Topeka Material Distribution Center for mail processing equipment spare parts to field maintenance stockrooms.
- 2) Direct Vendor Shipment \$ Value: This row includes the shipment and invoiced value for mail processing equipment spare parts that are shipped directly from a supplier to field maintenance stockrooms. The dollar value by month and total FY 2011 expenditure is included.
- 3) Total Mail Processing Equipment Parts Shipment Value: This row is the sum of the MDC Shipment \$ Value and Direct Vendor Shipment \$ Value. The dollar value by month and FY 2011 total is the total identifiable USPS expenditure for mail processing equipment parts. (Note: Field maintenance stockrooms buy some mail processing equipment parts locally using a purchase card. These expenditures are not included.)
- 4) Estimated % Mail Processing Equipment Removals as a % of Total Fleet: For purposes of estimating the potential expenditure reduction for mail processing equipment parts, 40% reduction in the fleet was used.
- 5) Estimated Reduction for Mail Processing Equipment Parts: The estimated dollar reduction is calculated by multiplying the total mail processing equipments part shipment value for FY 2011 and estimated % mail processing equipment removals. The result is an estimated expenditure reduction of \$68 M.

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The following are definitions for the input data for MDC Shipment \$ Value:

POST\_DATE – date of shipment.  
 PLANT .- : The location the part was shipped from. (TO is Topeka.)  
 CUST\_NO – customer number.  
 FINANCE\_NO\_PST – PST finance number for location the part was shipped from.  
 ITEM\_NO – item number.  
 TRANS\_NO – transaction number.  
 ORDER\_NO – order number.  
 LINE\_NO – line number.  
 TRANS\_QTY – transaction quantity.  
 POST\_AMT – amount charged.  
 PLANNER\_CODE - the initials of the Item Manager assigned to the NSN.  
 CAT\_COMM\_CD\_PST – the catalog commodity code (R – parts, S – supply, E – equipment).  
 FIN\_COMMODITY\_PST – the financial commodity code (R – parts, S – supply, E – equipment).  
 GL\_ACCT\_ID – General Ledger Account Number.  
 REFERENCE1 – the shipment journal voucher financial transaction code (OPCO and OPCD).

Following are definitions for the input data for Direct Vendor Shipment \$ Value:

PK\_DVInvoice – the primary key auto number in MS Access.  
 INVOICE\_DATE - date of invoice.  
 GL\_ACCT\_ID - General Ledger Account Number.  
 AP\_SEQ\_NO - Accounts Payable sequence number.  
 FIN\_COMM\_CD\_PST - the financial commodity code (R – parts, S – supply, E – equipment).  
 FINANCE\_NO – finance number of recipient.  
 INVOICE\_NO – invoice number.  
 INVOICE\_LINE – invoice line number.  
 VENDNO - is the vendor identification number and the number is encrypted.  
 CONTRACT\_LINE– the contract award line number (a contract can have more than one NSN purchased from the vendor).  
 INVOICE\_AMT – amount charged for shipment.  
 CERTIFIED\_AMT – certified amount.  
 ITEM\_NO - Postal Stock Number.  
 ORDER\_NO - MDIMS order number.  
 LINE\_NO - MDIMS order line number.  
 PAY\_QTY – quantify purchased.  
 PAY\_UNIT\_PRICE – price per unit.  
 CUST\_NO – customer number.  
 CONTRACT – Contract number.  
 ORDER\_TYPE – type of order processed (V = DVD, C = contract).  
 PLANNER\_CODE- the initials of the Item Manager assigned to the NSN.

REVISED INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
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NAME – name of vendor.

CAT\_COMM\_CD\_PST – the catalog commodity code (R – parts, S – supply, E – equipment).

PRODUCT\_GROUP – product group number.

CalYr – calendar year.

FY – fiscal year.

MO- month.

c. Sources of input data are as follows.

MDC Shipment \$ Value - The data is from the Material Distribution and Inventory Management System (MDIMS) Reporting Server financial tables when a parts shipment transaction occurred to GL account 14371040 or 14361040, posted dollar amount during fiscal year 2011

Direct Vendor Shipment \$ Value - This includes the shipment and invoiced value for mail processing equipment spare parts that were sourced and invoiced through the Material Distribution and Inventory Management System (MDIMS) Reporting Server financial table for GL account 52121, certified dollar amount that were shipped directly from a supplier to field maintenance stockrooms for fiscal year 2011.

The source for the 40 percent reduction, per the response to PR/USPS-T-5-4, is an estimate based on the projected equipment set reflected in Library Reference USPS-LR-N2012-1/37, and the current equipment set reflected in Library Reference USPS-LR-N2012-1/17.

d. Sample input data and the programs run are provided below for the MDC shipment and the Direct Vendor shipment.

**REVISED INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
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1. MDC Shipment \$ Value. The data is from the Material Distribution and Inventory Management System (MDIMS) Reporting Server financial tables when a parts shipment transaction occurred to GL account 14371040 or 14361040, posted dollar amount during fiscal year 2011. This summary includes 3,379,298 individual part transactions. Samples of the individual transactions are included below.

<b>Topeka Material Distribution Center (MDC) Shipment Sample Data</b>			
POST_DATE	10/1/10 7:29 AM	10/1/10 7:29 AM	10/1/10 7:29 AM
PLANT	TO	TO	TO
CUST_NO	183L26	1805AF	187433
FINANCE_NO PST	197101	197101	197101
ITEM_NO	6150070000241	3030030008516	3030060008829
TRANS_NO	105713123	105713124	105713125
ORDER_NO	0023847769	0023847681	0023847929
LINE_NO	6	8	5
TRANS_QTY	1	1	1
POST_AMT	-40.3944	-28.75	-26.87
PLANNER_CODE	KJC	GDF	RDS
CAT_COMM_CD PST	R	R	R
FIN_COMMODITY PST	PTS	PTS	PTS
GL_ACCT_ID	14371040	14371040	14371040
REFERENCE1	OPCO	OPCO	OPCO

The MDC Sales is from query:

*qryMO\_36aJE\_Dist\_LSN760P1\_ByItembyPlnr\_grpOrdNo\_DB*. Material Distribution and Inventory Management System (MDIMS) Reporting Server from the table;

*JIT\_IC\_JE\_HIST\_VW* (Accounting Table)

Parameters:

GL\_ACCT\_ID – "14371040" & "14361040" (Includes expensed and capitalized repair parts)

POST\_DATE = Between 10/01/2010 and 09/30/2011 11:59:59 PM

POST\_AMT = Sum(nz([JIT\_IC\_JE\_DIST].[POST\_AMT])),

CAT\_COMM\_CD PST = "R" (Parts)

REFERENCE1 = "OPCO" Or "OPCD"

The actual query is:

```
SELECT DISTINCTROW Month([POST_DATE]) AS MO,
JIT_IC_JE_HIST_VW.GL_ACCT_ID,
JIT_IC_JE_HIST_VW.CAT_COMM_CD PST,
```

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Sum(nz([JIT\_IC\_JE\_HIST\_VW].[TRANS\_QTY])) AS TRANS\_QTY, -  
Sum(nz([JIT\_IC\_JE\_HIST\_VW].[POST\_AMT])) AS POST\_AMT  
FROM JIT\_IC\_JE\_HIST\_VW  
WHERE (((JIT\_IC\_JE\_HIST\_VW.POST\_DATE) Between #10/1/2010#  
And #9/30/2011 23:59:59#) AND  
((JIT\_IC\_JE\_HIST\_VW.CAT\_COMM\_CD\_PST)="R") AND  
((JIT\_IC\_JE\_HIST\_VW.GL\_ACCT\_ID)="14371040" Or  
(JIT\_IC\_JE\_HIST\_VW.GL\_ACCT\_ID)="14361040") AND  
((JIT\_IC\_JE\_HIST\_VW.REFERENCE1)="OPCO" Or  
(JIT\_IC\_JE\_HIST\_VW.REFERENCE1)="OPCD"))  
GROUP BY Month([POST\_DATE]), JIT\_IC\_JE\_HIST\_VW.GL\_ACCT\_ID,  
JIT\_IC\_JE\_HIST\_VW.CAT\_COMM\_CD\_PST;

**REVISED INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
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2. Direct Vendor Shipment \$ Value This includes the shipment and invoiced value for mail processing equipment spare parts that were sourced and invoiced through the Material Distribution and Inventory Management System (MDIMS) Reporting Server financial table for GL account 52121, certified dollar amount that were shipped directly from a supplier to field maintenance stockrooms for fiscal year 2011. This summary includes 23,758 individual transactions. Samples of the individual transactions are included below.

Direct Vendor Shipment Sample Data			
PK_DVInvoice	3555789	3555881	3555882
INVOICE_DATE	21-Sep-11	21-Sep-11	21-Sep-11
GL_ACCT_ID	52121	52121	52121
AP_SEQ_NO	0001	0001	0001
FIN_COMM_CD_PST	PTS	PTS	PTS
FINANCE_NO	661132	210143	467866
INVOICE_NO	10-66706	5322532	5322485
INVOICE_LINE	1	1	1
VENDNO	361239;47	1529455/5	1529455/5
CONTRACT_LINE	015	012	024
INVOICE_AMT	151.00	232.32	72.75
CERTIFIED_AMT	151.00	232.32	72.75
ITEM_NO	769007000489 0	3915020001704	7930070004112
ORDER_NO	0026412893	0026450156	0026426485
LINE_NO	4	1	19
PAY_QTY	2	1	1
PAY_UNIT_PRICE	75.50	232.32	72.75
CUST_NO	183A0X	187B1M	188801
CONTRACT	2DPRNT-11-B-1005	3CASPT-11-B-1333	3CASPT-11-B-1333
ORDER_TYPE	V	V	V
PLANNER_CODE	RB	KAB	LJK
NAME	SOUTHERN IMAGING	VIDEOJET TECHNOLOGIES INC.	VIDEOJET TECHNOLOGIES INC.
CAT_COMM_CD_PST	R	R	R
PRODUCT_GROUP	426002	704	146001
Yr	2011	2011	2011
	2011	2011	2011

REVISED INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST NO. 1, QUESTION 22

9

9

9

The DVD Sales query:

*qryMO\_34aDVInvoicedShips\_DB*. MDIMS Reporting Server from the tables:

JIT\_INVOICE (Accounting Table)

JIT\_GLOBAL\_ITEM\_MASTER (Global Inventory Table)

JIT\_OEDEL\_HIST\_PST (Inventory Order Detail Table)

Parameters:

GL\_ACCT\_ID = "52121" (Includes all Direct Vendor Deliveries that are sourced and invoiced through MDIMS and does not include eBuy Orders.)

CAT\_COMM\_CD\_PST = "R" (Parts)

CERTIFIED AMOUNT: Sum(CDbI([CERTIFIED\_AMT]))

The actual query is:

```

SELECT Month([INVOICE_DATE]) AS MO,
JIT_INVOICE.GL_ACCT_ID, Sum(JIT_INVOICE.INVOICE_AMT) AS
SumOfINVOICE_AMT, Sum(JIT_INVOICE.CERTIFIED_AMT) AS
SumOfCERTIFIED_AMT
FROM ((JIT_INVOICE INNER JOIN JIT_VM_MASTER ON
JIT_INVOICE.VENDNO = JIT_VM_MASTER.VENDNO) INNER JOIN
JIT_OEDEL_HIST_PST ON (JIT_INVOICE.LINE_NO =
JIT_OEDEL_HIST_PST.LINE_NO) AND (JIT_INVOICE.ORDER_NO =
JIT_OEDEL_HIST_PST.ORDER_NO)) INNER JOIN
JIT_GLOBAL_ITEM_MASTER ON JIT_INVOICE.ITEM_NO =
JIT_GLOBAL_ITEM_MASTER.ITEM_NO
WHERE (((JIT_INVOICE.GL_ACCT_ID)="52121") AND
((JIT_INVOICE.INVOICE_DATE) Between #10/1/2010# And #9/30/2011
23:59:59#) AND
((JIT_GLOBAL_ITEM_MASTER.CAT_COMM_CD_PST)="R"))
GROUP BY Month([INVOICE_DATE]), JIT_INVOICE.GL_ACCT_ID;

```

**INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 1**

4. Please explain if and how the proposed change in service is consistent with provisions in annual postal appropriations riders that states "that 6-day delivery and rural delivery of mail shall continue at not less than the 1983 level." See, e.g., Consolidated Appropriations Act, 2008, Title V, P.L. 110-161; 121 Stat. 1844.

**RESPONSE**

The proposed changes do not reduce the number of days that mail delivery is generally provided. Nor the changes effectuate changes affect the mode or frequency of delivery to customers served by rural routes.

*Institutional*  
RESPONSE OF UNITED STATES POSTAL SERVICE ~~WITNESS NERI~~  
TO PRESIDING OFFICER'S INFORMATION REQUEST No. 4, QUESTION 4,  
REDIRECTED FROM WITNESS NERI

4. [Assuming] that average machine throughput was used to determine the number of machines needed to process mail at modeled locations, [f]or each facility, by operation, please provide the current operating window and the average throughput for each machine used in the operation.

**RESPONSE:**

The assumption is correct. Average throughputs for each machine in each operation by day, as well as the total time spent processing within that operation, are being filed as library reference USPS-LR-N2012-1/69. That information, while useful to analysis of the present network and how best it might change pursuant to the current proposals, does not project to the future. Proposed operating windows (described in witness Neri's testimony), elimination of the need to await arrival of overnight mail before processing, and substantial overall reduction in processing equipment while retaining more efficient pieces, together signal fundamental changes in operations which suggest that current throughput rates are in no way indicative of future throughputs. The Postal Service, however, currently has no estimates for these expected gains.

RESPONSE OF UNITED STATES POSTAL SERVICE TO  
PRESIDING OFFICER'S INFORMATION REQUEST No. 4, QUESTION 9,  
REDIRECTED FROM WITNESS RACHEL

9. The response to NPMHU/USPS-T8-2 states "Workhour reductions can be achieved in a number of ways, including the reduction of full, part-time, or non-career employees, or through the reduction of workhours or overtime hours for these groups."
- a. Please confirm that the Business Management Guide (BMG) is used for complement and workhour planning.
  - b. Please describe, in detail, how BMG is used.
  - c. Is BMG used in the AMP process?
  - d. Did the Postal Service use BMG to estimate the impact of the network realignment assuming all candidate facilities were closed or consolidated? If so, please provide the results.
  - e. Please provide the latest edition of the BMG.

**RESPONSE:**

Business Management Guide (BMG) is no longer used by the Postal Service. When used for purposes of staffing and complement management, its utility did not meet functional requirements. BMG was not used for any purpose related to the Postal Service direct case in this docket. The Postal Service does not have and is accordingly unable to provide its latest edition.

**INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 5**

20. The response to POIR No. 4, question 9 states, "Business Management Guide (BMG) is no longer used by the Postal Service. When used for purposes of staffing and complement management, its utility did not meet functional requirements. BMG was not used for any purpose related to the Postal Service direct case in this docket."

- a. Do Postal Service plant managers routinely use a standardized complement planning tool? If so, please provide a copy of that tool.
- b. Did the Postal Service use any complement planning tool for any purpose in this docket? If so please provide a copy of that tool.

**RESPONSE**

- a. No.
- b. The Postal Service has presented full-up cost savings estimates in the testimonies of Dr. Bradley (USPS-T-9) and Marc Smith (USPS-T-10). In addition, assessments of why the Postal Service expects savings through complement realignment were included as part of the response to POIR 1 question 7. The cost savings estimates in USPS-T-9 and USPS-T-10 are based upon a consolidated network concept that has since been modified by the results of the various facility consolidation studies filed in Library References N2012-1/73 and NP-16. These studies, most of which were conducted using the AMP Guidelines in USPS Handbook PO-408, reflect facility-specific assessments of the impact of each of the planned consolidations on complement. No standard complement planning tool was used for any purpose in this docket. As part of implementation, complement planning is coordinated at the District and Area levels by committees including employees from Operations, Maintenance, Finance, and Labor Relations. The methods and programs used for complement planning vary by Area and District.

**INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO GREETING CARD ASSOCIATION INTERROGATORY  
REDIRECTED FROM WITNESS ROSENBERG**

**GCA/USPS-T3-3**

On page 1, lines 20-22, you state that, apart from 21 Network Distribution Centers, the current mail processing and distribution networks are set up to support the overnight delivery standard for First-Class Mail (FCM)

(a) When were each of the Network Distribution Centers set up, and what mail classes were or are they designed to support?

(b) For all Standard letter mail that is drop shipped, what percentage of it is delivered overnight once it is entered directly at the destination delivery unit?

(c) Please list by year and type the annual purchases of mail processing and distribution equipment that were purchased since the onset of Internet diversion of FCM that were designed to support overnight delivery of First-Class Letter Mail (FCLM). For purposes of this question date the onset of diversion as PFY 1994.

**RESPONSE**

- A. The Network Distribution Centers that formerly were the Bulk Mail Centers were set up in the 1970s. They were set up to support standard mail and package services.
- B. There is a *de minimus* amount of standard letter mail entered at a DDU. There is no dropship discount for the Standard letter mail at the DDU, and the Postal Service does not maintain such information.
- C. Please see response to APWU/USPS-T9-12(c).

**INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO GREETING CARD ASSOCIATION INTERROGATORY  
REDIRECTED FROM WITNESS ROSENBERG**

**GCA/USPS-T3-4**

- (a) How was the overnight delivery standard for FCM managed before DPS? In answering, please describe as fully as possible the constraints, if any, which that standard imposed on incoming processing windows.
- (b) Did you develop, or have provided to you, information on how many fewer carriers are there today as a result of reducing in-office carrier time due to DPS? If so, please provide all such information, or redirect the question to a witness who can do so.
- (c) Did you develop, or have provided to you, information as to the average reduction in hours per day of carrier in-office time as a result of DPS processing? If so, please provide all such information, or redirect the question to a witness who can do so.
- (d) Did you develop, or have provided to you, information as to the use(s) made of the extra carrier time from (c) (for example, increasing the number of street time stops per carrier and/or reducing paid hours per carrier)? If so, please provide all such information, or redirect the question to a witness who can do so.

**RESPONSE**

- A. Prior to DPS we processed letter mail on MLOCR and BCS machines at processing plants. Overnight First-Class Mail from the plant's local originating collection boxes and carriers were processed through an outgoing operation, facer canceller and then in automation, usually on an MLOCR (multiline optical character reader, and then as incoming primary through a BCS (bar code sorter). Bar code sorters would also be used separate mail to the incoming secondary level for dispatch to stations branches and delivery units in the local delivery area of the host plant.

As this mail was cleared through the outgoing operations and was subsequently run throughout the night on the BCS machines and dispatched multiple times on several transportation runs, usually an early trip and then a dispatch of value (DOV) to the delivery units for carrier sort

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REDIRECTED FROM WITNESS ROSENBERG

RESPONSE to GCA/USPS-T3-4 (continued)

and delivery. The only constraint on the operation was the First-Class Mail overnight (O/N) from another overnight trading partner/plant.

However, with multiple runs of incoming secondary mail processed on BCS machines, as long as the incoming FCM from the overnight trading partner was received before the DOV, FCM O/N service was preserved.

Today, in DPS processing, in order to provide mail in carrier sequence, we must run all available service committed mail in the first pass operation before we can re-run mail in the second pass operation.

Before MLOCR and BCS machines, the Postal Service utilized a mechanized sort with MPLSM (multi-positional letter sorting machines) machines. Similar to the MLOCR and BCS processing, destinating carrier route mail was processed and dispatched in batches, and could be dispatched on multiple trips in multiple trays. Again the process did not require today's process to run all available service committed mail in the first pass operation before we re-run mail in the second pass operation.

- B. Witness Rosenberg did not develop nor was she provided information on the impact of reducing in-office carrier time. Changes in mail processing, not delivery, are at the heart of service changes this docket.

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TO GREETING CARD ASSOCIATION INTERROGATORY  
REDIRECTED FROM WITNESS ROSENBERG**

**RESPONSE to GCA/USPS-T3-4 (continued)**

- C. See the response to subpart B. Witness Rosenberg did not develop nor was she provided information on changes in carrier in-office time as a result of DPS processing. No analysis of carrier in-office costs of the sort requested in this question was performed by the Postal Service for purposes of this docket.
- D. See the responses to subparts B and C. Witness Rosenberg did not develop nor was she provided information of the sort described in this question. No such analysis was performed for purposes of this docket.

**INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO GREETING CARD ASSOCIATION INTERROGATORY  
REDIRECTED FROM WITNESS ROSENBERG**

**GCA/USPS-T3-6**

On page 2, lines 9-11, of your testimony you state that the unused capacity of DBCS "can only be reduced through the relaxation of service standards...". Couldn't the current underutilization have been significantly reduced by buying fewer machines in light of declining FCM volume and where applicable gradually deploying or re-deploying them to effect a more rational network? If your answer is anything other than an unqualified "yes", please fully explain your answer.

**RESPONSE**

It is important to note, the Postal Service has not made significant DBCS equipment purchases since the volume decline. The growth of DBCS mail processing equipment was commensurate with the volume increases the Postal Service experienced. Those purchases were necessary in order to process the mail volume based on the appropriate service standard.

Volume is only one constraint within the DPS processing step. The number of delivery points is also a constraint.

Consider this hypothetical example. There are 2 zones processed on two DPS schemes, each requiring 2 hours of first pass sequencing, and 2 hours of second pass sequencing. That requires a total of 4 hours of processing time. Due to the current overnight service standards, let us assume we begin first pass at 01:30 – 03:30, and we run second pass from 04:00 – 06:00. These 2 zones must also be processed on two different machines due to the number of delivery points. Even if volume were to decline by 50 percent in this example, that would require these same two machines, albeit running shorter windows. Even with this large of a

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REDIRECTED FROM WITNESS ROSENBERG**

**RESPONSE to GCA/USPS-T3-6 (continued)**

decline, due to the fact that they must be processed on separate sort programs due to the total number of delivery points, they cannot be processed on the same machine due to the overnight service time constraints, and therefore, will not require fewer machines. In an environment of 50 percent less volume across these two zones, each would require 1 hour of processing. If we assume they cannot start until 01:30, because we must wait for the volumes to be available to be processed, the first zone would run from 01:30 – 02:30, and then changeover to second pass from 03:00 – 04:00. If we tried to then run the second zone after that, it would not be completed in time for the carriers, i.e., the second zone would have to run first pass from 04:30-05:30 and then second pass from 06:00-07:00, again, one hour later than required. So even in an environment of significant volume declines, due to the need to delivery point sequence, and the constraint of delivery points, the Postal Service could not have been "significantly reduced by buying fewer machines in light of declining FCM volume."

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TO GREETING CARD ASSOCIATION INTERROGATORY  
REDIRECTED FROM WITNESS ROSENBERG**

**GCA/USPS-T3-30**

On page 9, line 1, of your testimony you state "it was assumed a 53 foot truck would be utilized." For all owned and leased trucks for network transportation, please provide a table showing: (a) each size of each truck (expressed in length and cubic capacity) owned or leased for network transportation, and (b) the number of such trucks in use.

**RESPONSE**

**USPS Owned Trailer Inventory**

<u>QUANTITY</u>	<u>LENGTH</u>	<u>CUBIC CAPACITY</u>
1,479	38	3,800
2	22	2,024
231	28	2,576
503	38	3,496
9	24	2,208
1	34	3,128
9	28	2,688
18	28	2,800
184	33	3,036
17	48	4,608
213	48	4,800
65	48	5,184
39	53	5,300
102	53	5,724
66	32	2,944
761	45	4,500
5	45	4,140
380	45	4,860
<u>4,084</u>		

**USPS Leased Trailers**

<u>QUANTITY</u>	<u>LENGTH</u>	<u>CUBIC CAPACITY</u>
89	28	1650
9	32	1650
319	40	2400
1533	45	2700
3373	48	2800
1658	53	3180
<u>6981</u>		

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO GREETING CARD ASSOCIATION INTERROGATORY  
REDIRECTED FROM WITNESS ROSENBERG**

**GCA/USPS-T3-41**

In your answer to GCA/USPS-T3- 9. (c), you state that it was realized "that mailers may be able to enter prior to the initiation of DPS processing[.]" To clarify your response, please answer the following questions.

- (a) Please confirm that in the clause quoted above, "mailers" refers only to Pre-sort mailers. If you do not confirm, please explain the scope of the term "mailers" as you used it in your answer.
- (b) Did the feedback and comments referred to in your response include any views or discussion of Single-Piece mail? If so, please describe any such views or discussion of which you are aware.
- (c) If your answer to (a) was to confirm that Presort mailers are considered able to enter prior to initiation of DPS processing, please explain why collection mail, such as local mail, could not be entered at a similar time, for example by adjusting pickup times as necessary?
- (d) If Presort bureaus can pick up and sort collection mail as well as bulk mail on Monday and submit it to USPS on Monday prior to initiation of DPS processing, why could not the Postal Service deal similarly with collection mail under the proposed plan?

**RESPONSE:**

- (a-c) [Responses provided by witness Rosenberg.]
- (d) It is not clear whether the presort bureaus alluded to in the question operate collection systems that, combined, cover as much geographical area or as many collection points as the Postal Service does or what their collection frequencies may be. Nor is it clear from the question whether the presort bureau collection times and routes accommodate only specific commercial customers or the mailing habits of the public at large throughout the service area of each postal Sectional Center Facility. Accordingly, it is not clear on what basis other than a hypothetical one for purposes of this question that

RESPONSE OF UNITED STATES POSTAL SERVICE  
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REDIRECTED FROM WITNESS ROSENBERG

RESPONSE to GCA/USPS-T3-41 (continued)

the Postal Service should assume that Presort bureaus now provide or, under the new postal network, would or could provide a level of morning collection service that approached being regarded as universal.

See the response of witness Neri to GCA/USPS-T4-24. Even assuming the Postal Service could establish a morning collection Day Zero Critical Entry Time for overnight single-piece First-Class Mail service based on its ability to initiate DPS processing of such collection mail on the day it was collected, there remains the unexamined question of the general impact on customers of shifting from what could be regarded as the traditional late afternoon CET to an early morning CET in order to obtain overnight single-piece First-Class Mail. If mailers who currently produce mail for deposit later in the day simply continue that practice in the hypothetical morning CET scenario in the new network, their mail would not be picked up until the CET the next morning. If DPS processing is initiated the day of pickup, the mail would be delivered the day after pickup, which would be two days after deposit.

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO GREETING CARD ASSOCIATION INTERROGATORY  
REDIRECTED FROM WITNESS ROSENBERG**

**GCA/USPS-T3-44**

In GCA/USPS-T3-12 (c) and (d), the intent of the questions was to postulate a service standard change *only* for the late-arriving mail, with other mail being handled under the current standard. Your answers appear to assume that the question postulated no service standard change for any mail. With this clarification in mind, please answer questions (c) and (d), or redirect the question to an appropriate witness.

**RESPONSE**

The First Class Mail service standard matrix reflects relationships between origin 3-digit ZIP Codes and destination 3-digit ZIP Codes. Assume end-to-end network First-Class Mail with a 1-day service standard arrives on Day 1 at 1 AM to the destination processing plant. In today's environment, the mail is processed for delivery the same that that it arrived at the destination processing plant (Day 1 delivery).

The question postulates that some of this mail should be held and processed for Day 2 delivery. This violates the 3-digit ZIP Code to 3-digit ZIP Code First-Class Mail service standard, as all volume from one 3-digit ZIP Code to another has the same service standard. To abide by this rule, the 3-digit ZIP Code pair would need to take on the maximum service days to delivery.

For example:

Day 0 (prior to CET): A First-Class Mail letter is entered in a collection box.

Day 0: The letter is cancelled (in general until about 9:30 PM).

Day 0: The letter receives outgoing sort.

**RESPONSE OF UNITED STATES POSTAL SERVICE  
TO GREETING CARD ASSOCIATION INTERROGATORY  
REDIRECTED FROM WITNESS ROSENBERG**

**RESPONSE to GCA/USPST3-44 (continued)**

Day 1: Dispatch of value to destination plant (~1:30 AM, earlier trips may have transported mail that finished processing earlier in the evening)

Day 1: Arrive destination plant after 01:30 AM,

Question proposed this volume is delivered Day 2

Currently, this volume delivered Day 1

Based on questions, all origin-destination ZIP Code pairs would need to be downgraded to a 2 day First-Class Mail service standard, since the start the clock for all pieces is the same.