

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

MAIL PROCESSING NETWORK RATIONALIZATION  
SERVICE CHANGES, 2011

Docket No. N2012-1

**RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO CITY OF POCATELLO INTERROGATORIES  
(CPI/USPS-1 THROUGH 27)  
(April 4, 2012)**

The United States Postal Service provides institutional responses to the above-listed interrogatories submitted by the City of Pocatello, Idaho (CPI) on March 21, 2012.

Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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April 4, 2012

**RESPONSE OF THE UNITED STATES POSTAL SERVICE**

**TO CITY OF POCA TELLO INTERROGATORY**

CPI/USPS-1: If you admit the foregoing request for admission [CPI/USPS-RA3], please state whether the USPS has notified the Governor of the State of Idaho and/or the Idaho Congressional Delegation of the work force reduction to take place in Idaho and the corresponding increase in workforce in the State of Utah.

**RESPONSE**

Yes.

## **RESPONSE OF THE UNITED STATES POSTAL SERVICE**

### **TO CITY OF POCATELLO INTERROGATORY**

CPI/USPS-2: Page 6 of the Pocatello AMP Summary projects maintenance savings by closing the AMP's in Elko, Provo, Pocatello and Rock Springs in the amount of \$1,547,674. Please state what you believe to be a share of savings attributable to the closing of the Pocatello AMP.

#### **RESPONSE**

The Postal Service has not developed such an estimate for purposes of this proceeding and does not regard that such information is pertinent to the Postal Regulatory Commission's task of issuing an advisory opinion regarding whether the service changes at issue in this docket conform to applicable policies of title 39 of the United States Code.

## RESPONSE OF THE UNITED STATES POSTAL SERVICE

### TO CITY OF POCATELLO INTERROGATORY

CPI/USPS-3: On Page 6 of the Pocatello AMP Summary under the item "Space Impacts" the USPS states that the current Salt Lake City plant is not large enough and does not have the capacity to handle all of the mail it will handle with the consolidation. The stated plan is to add 200,000 square feet for an annual cost of \$1.6 million and onetime cost of \$18,328,500. Has the USPS entered into a lease agreement that covers the above referenced 200,000 square feet?

- A. If your answer to the foregoing question is yes, please provide a copy of the lease agreement.
- B. Have the above referenced costs been accounted for in the overall savings projected for the consolidation of the Pocatello AMP to Salt Lake City?

### RESPONSE

No.

- (a) Not applicable.
- (b) The proposed addition of capacity at Salt Lake City is also intended to accommodate several other consolidations (Rock Spring and Provo) into that location, not just Pocatello. No specific determination has been made yet regarding the method by which additional plant capacity will be secured in conjunction with these consolidations into Salt Lake City. Accordingly, the Pocatello AMP package does not reflect any Salt Lake City facility purchase, lease or retrofit costs.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO CITY OF POCATELLO INTERROGATORY**

CPI/USPS-4: What consumer attrition rate does the USPS project will result from the AMP consolidation and proposed closures, specifically in Pocatello and Chubbuck, Idaho?

- A. How have the costs associated with the attrition been accounted for in the Pocatello AMP Summary?
- B. What consumer attrition rate does the USPS project will result from the AMP consolidation across the U.S.?
- C. How have the costs associated with this attrition been accounted for in the overall nationwide savings as stated by Mr. Donahoe?

**RESPONSE**

(a-c) Please see USPS-T-11 and USPS-T-12. The Postal Service has not conducted facility-specific market research designed to isolate the "consumer attrition rate" that would result from changes in service within the service areas of individual mail processing facilities. If the Mr. Donahoe alluded to in part (c) is the Postmaster General, then his references to a net \$2.1 billion financial benefit associated with the service change initiative would, consistent with USPS-T-2, reflect consideration of the "attrition" estimated in USPS-T-12 on the basis of USPS-T-11.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE**

**TO CITY OF POCATELLO INTERROGATORY**

CPI/USPS-5: If you admit the foregoing request for admission [CPI/USPS-RA4], please state each and every reason that the closures of the AMP's were announced prior to the expiration of the moratorium date.

**RESPONSE**

See the response to CPI/USPS-RA4, Request for Admission No. 4.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE**

**TO CITY OF POCATELLO INTERROGATORY**

CPI/USPS-6: If you admit the foregoing request for admission [CPI/USPS-RA5], please state each and every reason that you proceeded with the AMP consolidation prior to the Advisory Opinion being issued by the Postal Regulatory Commission.

**RESPONSE**

See the response to CPI/USPS-RA5, Request for Admission No. 5.

## **RESPONSE OF THE UNITED STATES POSTAL SERVICE**

### **TO CITY OF POCATELLO INTERROGATORY**

CPI/USPS-7: In printed material related to the proposed consolidation of the AMP's across the United States, the USPS refers to "rural America." Please define what the USPS considers "rural America" to be.

#### **RESPONSE**

The Postal Service employs no specific objective definition and is generally willing to rely on U.S. Census Bureau designations for purposes of generally distinguishing rural from urban from suburban areas, though such distinctions do not necessarily control the nature of postal operations serving each type of area.

## RESPONSE OF THE UNITED STATES POSTAL SERVICE

### TO CITY OF POCATELLO INTERROGATORY

CPI/USPS-8: Please explain why the USPS considers a reduction of service levels without a reduction of postage costs to have a fair and equal impact on "rural America" as compared to larger metropolitan areas such as Salt Lake City, Utah.

#### RESPONSE

The Postal Service regards the service change proposals to be fair because they do not target residents of such metropolitan areas as Salt Lake City for different service changes than residents of any other parts of the country, whether those other parts, on the basis of any reasonable set of definitions, are designated as "urban" or "suburban" or "rural." Postal services currently do not have an equal impact on all 300,000,000+ postal customers. Postal services are not available on a perfectly equal basis to all 300,000,000+ postal customers. Accordingly, it is not expected that the proposed changes in service will affect all customers equally or equalize their access to such services. Individual impacts can vary on the basis of a host of factors, including one's mailing and mail receipt profiles, one's proximity to a retail facility or the closest remaining mail processing plant after consolidation, and not simply on the basis of whether one resides in a rural or suburban or urban location.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO CITY OF POCATELLO INTERROGATORY**

CPI/USPS-9: How many household addresses will be impacted by lower delivery standards and are located within the boundary of the Shoshone Bannock Fort Hall Reservation?

**RESPONSE**

The exact number is not known, as the Postal Service does not maintain universal or sufficiently granular records pertaining to the mailing or mail receipt practices of every household address. Under the proposed service changes, all originating single-piece First-Class Mail sent to or from the reservation will be subject to the same service standards as similar mail originating or destinating in Salt Lake City or New York City.

## RESPONSE OF THE UNITED STATES POSTAL SERVICE

### TO CITY OF POCATELLO INTERROGATORY

CPI/USPS-10: How many household addresses are located in the entire service area of the Pocatello AMP?

- A. Of those addresses, how many will suffer lower delivery standards with the USPS proposed consolidation and closure of the Pocatello AMP?
- B. Of those addresses, how many have been identified as low to moderate income households?

### RESPONSE

The proposed service standard changes will apply to all mailers at all addresses in what is currently the service area of the Pocatello processing facility. The exact number is immaterial to the Postal Regulatory Commission's review of whether the nature of the service changes is consistent with applicable policies of title 39 of the United States Code. The Postal Service does not maintain records that classify its customers on the basis of household income. Household income data are maintained by the United States Census Bureau. Please feel free to independently access its records pertaining to Pocatello area household income levels.

## **RESPONSE OF THE UNITED STATES POSTAL SERVICE**

### **TO CITY OF POCATELLO INTERROGATORY**

CPI/USPS-11: With regard to the people who are presently employed at the Pocatello AMP, please state the following:

- A. How many of the AMP employees are over the age of 40?
- B. How many of the AMP employees are disabled American veterans?
- C. How many are members of the Shoshone Bannock Tribe?

### **RESPONSE**

These questions reveal a misunderstanding of the purpose of this docket. It is being conducted under 39 U.S.C. § 3661 for the very limited purpose of the providing the Postal Regulatory Commission with a basis for responding to a request from the Postal Service for a non-binding advisory opinion regarding whether the changes in the nature of services proposed by the Postal Service conform to applicable policies of title 39 of the United States Code. These questions seek information wholly irrelevant to this purpose. Instead, they resemble information requests often directed by collective bargaining representatives to postal management or in proceedings before Federal agencies that have jurisdiction to review postal personnel matters. The Postal Regulatory Commission is not one of those agencies. Accordingly, there is no reasonable basis for expecting the Postal Service to provide information responsive to these questions in this docket.

## **RESPONSE OF THE UNITED STATES POSTAL SERVICE**

### **TO CITY OF POCATELLO INTERROGATORY**

CPI/USPS-12: Due to the fact the AMP Summary for the Pocatello AMP also includes the closure of the Main Office on Clark Street and Bannock Station on Main Street, please identify the average number of households served by each office and station in the Salt Lake Metropolitan area versus the number of households served by each office and station in Pocatello and Chubbuck, Idaho after the proposed consolidation and closures are complete.

#### **RESPONSE**

The Pocatello AMP package indicates the existence of a proposal to relocate Post Office Boxes presently at the Bannock Station.

See the response to CPI/USPS-10. The relative numbers of households served by each postal retail and/or delivery facility in Pocatello or Salt Lake City or New York City are not relevant to the question of whether the time-in-transit and bulk mail entry service changes under review in this docket (see USPS-T-1) that are premised on mail processing plant consolidations and related transportation network changes (discussed in USPS-T-4, USPS-T-5 and USPS-T-6) are consistent with applicable policies of title 39. Accordingly, there is no reasonable basis for expecting the Postal Service to provide information responsive to this question in this docket.

## RESPONSE OF THE UNITED STATES POSTAL SERVICE

### TO CITY OF POCATELLO INTERROGATORY

CPI/USPS-13: With the closure of the Clark Street Main Office and Bannock Station, this will leave one facility with the capacity of three retail clerks serving the entire Pocatello and Chubbuck area. Is there a plan, not included in the Summary, to add additional retail locations or services?

- A. If so, why are those costs not included in the Summary?
- B. Will these expenses reduce the overall expected savings anticipated with the consolidation and closures?

### RESPONSE

Please see the response to CPI/USPS-12. The Pocatello AMP package reveals a proposal to relocate Clark Street retail operations to Pocatello CSMPC and to relocate Post Office Box operations from Bannock Station. Be aware that the current docket pertains to time-in-transit changes for mail resulting from the consolidation of mail processing operations. This is a service change wholly distinct from the availability of retail window service or Post Office Box service, which are matters outside the scope of the instant docket. The AMP process is designed to examine mail processing network changes. Accordingly, one should not expect to find analysis of potential local retail changes as part of an AMP review, even if potential nearby retail changes happen to be alluded to in an AMP package.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO CITY OF POCATELLO INTERROGATORY**

CPI/USPS-14: Please state how may large bulk mailers will be impacted in the Pocatello AMP service area by not only slower delivery times, but also increased postage? What is the projected annual increase in costs for these mailers?

**RESPONSE**

Assuming the proposed service changes are implemented, it is not known how many “large bulk mailers” in Pocatello might adjust their operations to ensure retention of overnight First-Class Mail or Periodicals service. Accordingly, the extent to which any of them may be impacted by “slower delivery times” is not known. Any projections of increased large bulk mailer operating costs, whether or not related to the service changes at issue in this docket, would have to be sought from and provided by specific large bulk mailers willing to divulge their specific operating costs. No such information has been provided to the Postal Service in relation to the instant service change initiative. For purposes of this question, it is assumed that increased postage is unrelated to increased mail volume and relates only to increases in postage prices. On that basis, it is reasonable to assume that all mailers face the prospect of future postal price increases at some point in the future, irrespective of whether the service changes at issue in this docket were ever proposed or get implemented, given the general nature of such prices to increase over time.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE**

**TO CITY OF POCATELLO INTERROGATORY**

CPI/USPS-15: If you admit the foregoing request for admission [CPI/USPS-RA7], please answer the following:

- A. What do you believe the scheduled deliveries will be within a 50 mile radius of the Bannock Shoshone Fort Hall Reservation?
- B. What do you believe the scheduled deliveries will be outside of a 50 mile radius of the Bannock Shoshone Fort Hall Reservation?

**RESPONSE**

The consolidation of mail processing plants is unrelated to delivery route frequency. The proposed changes in mail processing and time-in-transit for mail under review in this docket are not intended to affect the number of days per week that mail is delivered.

## RESPONSE OF THE UNITED STATES POSTAL SERVICE

### TO CITY OF POCATELLO INTERROGATORY

CPI/USPS-16: Please state how many employees remain without positions from the consolidation of the Twin Falls, Idaho AMP?

- A. Of those employees, what is the expected timeline projected to place all of these employees?
- B. What is the average monthly cost per employee until placement is found?
- C. How was this cost accounted for in the Twin Falls AMP Study?

### RESPONSE

The Twin Falls consolidation is not within the scope of the network rationalization initiative being pursued in support of the service changes proposed in this docket. See USPS Library Reference N2012-1/NP12. Accordingly, it does not form a basis for the mail processing and transportation cost savings estimates presented by the Postal Service in this docket. It cannot be determined how many employees may remain without positions from any particular AMP consolidation and what the associated costs might be until personnel placement options have been exhausted in accordance with applicable policies and collective bargaining agreements. See generally USPS-T-8.

## **RESPONSE OF THE UNITED STATES POSTAL SERVICE**

### **TO CITY OF POCATELLO INTERROGATORY**

CPI/USPS-17: Please state the projected timeline for placing the employees left in Pocatello without positions after the consolidation?

- A. Of those employees, what are the projected costs?
- B. How were those costs accounted for in the Pocatello AMP Study?

### **RESPONSE**

Please see USPS-T-8 and the response to CPI/USPS-16. It is not yet known when the Pocatello consolidation will be implemented. It cannot be known specifically how many, if any, Pocatello employees will remain without positions after the consolidation is implemented and after all available placement options consistent with applicable postal policies and collective bargaining agreements have been exhausted. Accordingly, there presently is no basis for projecting the timing and associated costs. The AMP review process does not attempt to and cannot measure all implementation costs that are associated with the numerous intertwined personnel decisions that result from a plant consolidation. Many such costs cannot be determined until after specific personnel determinations are made and implemented. Accordingly, Postal Service policy is to conduct two post-implementation reviews of each AMP.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO CITY OF POCATELLO INTERROGATORY**

CPI/USPS-18: Please state what the specific plans are for shift reductions at the Pocatello AMP prior the complete consolidation?

- A. How will those reductions impact service and delivery?
- B. When will the shift reductions start to occur?
- C. When will service delays begin?

**RESPONSE**

The question in the preamble is worded in a manner that makes it unclear if it seeks information relevant to the Postal Regulatory Commission's task of issuing a non-binding advisory opinion regarding whether the changes in the nature of services proposed by the Postal Service conform to applicable policies of title 39 of the United States Code.

See the response to CPI/USPS-17. The Postal Service has not established a timetable for implementation of operational changes associated with the decision to consolidate the Pocatello mail processing plant, which itself is contingent upon a determination to revise service standards. When service standard changes are determined, an assessment will be made regarding which specific facility consolidations to implement and when. It is presently anticipated that changes to the mail processing and transportation network will be implemented well into calendar year 2013. Even though service standard changes may all take effect on one date, the many thousands of local and network operational changes in the field will be implemented on a rolling basis over time, on schedules particular to specific locations. The impacts on service will be incremental and site-specific throughout the process.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO CITY OF POCATELLO INTERROGATORY**

CPI/USPS-19: Please state what contingency plans are in place to handle the mail being trucked from the Pocatello AMP service area to Salt Lake City on poor weather days?

- A. What is the expected additional delay in delivery projected to be each time the Malad Pass is closed due to snow, wind or unsafe travel conditions?

**RESPONSE**

The incidence and magnitude of inclement weather or unsafe travel conditions in the Malad Pass that may occur in the future relative to the past are matters beyond the scope of the Postal Service's powers of prognostication. On poor weather days in the future, it is expected that short-term transportation and operational mitigation strategies and adjustments will be implemented on an as-needed and as-available basis, as is routinely the case today. As is the case today, it also is expected that reasonable and sometimes extraordinary efforts at mitigation in such circumstances will not always succeed in preserving expected service levels.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE**

**TO CITY OF POCATELLO INTERROGATORY**

CPI/USPS-20: In your projected transportation savings, what cost per gallon for fuel was used?

**RESPONSE**

Cost per mile (not cost per gallon) is a factor used to project transportation costs and savings. See, for example, pages 39-40 of the Pocatello AMP package.

## RESPONSE OF THE UNITED STATES POSTAL SERVICE

### TO CITY OF POCATELLO INTERROGATORY

CPI/USPS-21: If you admit the foregoing request to admit [CPI/USPS-R8], please answer the following:

- A. By locating all Post office boxes to the northern end of Pocatello, is the USPS attempting to encourage businesses to close their current post office boxes and opt for street delivery?
- B. Has USPS made an accounting for increased costs due to additional street delivery?
- C. Where are the costs included in the Summary to indicate the increased costs of increased street delivery, both in manpower, time, and transportation?

### RESPONSE

- a. No. The Postal Service does not relocate Post Office Boxes for the purpose of encouraging customers to opt for street delivery.
- b-c. No. The Postal Service lacks sufficient information with which to form a belief that additional street deliveries will result and associated costs will increase. No such costs estimates are contained in the Pocatello AMP decision package.

## RESPONSE OF THE UNITED STATES POSTAL SERVICE

### TO CITY OF POCATELLO INTERROGATORY

CPI/USPS-22: Please state the property improvement costs currently being incurred at the Clark Street Main Post Office in Pocatello.

- A. Are these costs included in the projected overall cost savings identified in the AMP Summary?

#### **RESPONSE**

The Clark Street Post Office is a retail facility whose operations are unrelated to the changes in mail processing and acceptance, respectively, associated with the time-in-transit and bulk mail entry service changes under review in this docket.

Any improvements to the Clark Street property made by its owner/landlord or the Postal Service as tenant are unrelated to the mail processing and transportation operations analyzed as part of the Pocatello AMP review. Accordingly, one would not expect the Pocatello AMP package to refer to any such improvements.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE**

**TO CITY OF POCATELLO INTERROGATORY**

CPI/USPS-23: On page 3 of the AMP Executive Summary, for the Pocatello CSMPC, the Mail Processing Craft Workhour Savings does not appear to include the hiring of four additional positions in Idaho Falls, Idaho. Please provide the accounting of the projected "savings" of \$1,708,213.

**RESPONSE**

The accounting of the projected craft savings of \$1,709,213 on page 3 is reflected in the Pocatello AMP decision file in USPS Library References 73 and NP16. See pages 14-37.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE**

**TO CITY OF POCATELLO INTERROGATORY**

CPI/USPS-24: The Pocatello AMP Summary identifies projected savings. Please state whether those savings are based on a consistent volume of mail, a decrease in mail volume or an increase in mail volume?

**RESPONSE**

Each AMP analysis is based on mail volumes from 4 recent consecutive fiscal quarters. See USPS Library References 73 and NP16. The current and projected declines in First-Class Mail volumes are a driving force behind the overall consolidation initiative. See USPS-T-2.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE**

**TO CITY OF POCATELLO INTERROGATORY**

CPI/USPS-25: Please state whether the Salt Lake City Metropolitan area will see a service delay in their first class mail?

**RESPONSE**

The proposed service changes include some downgrades to First-Class Mail service that would apply nationwide, which includes the Salt Lake City and New York City metropolitan areas.

## **RESPONSE OF THE UNITED STATES POSTAL SERVICE**

### **TO CITY OF POCATELLO INTERROGATORY**

CPI/USPS-26: If you denied any of the foregoing requests to admit, please state every factual and legal basis for your denial.

#### **RESPONSE**

If any request for a factual admission is denied, it is either because the request is founded on what would appear to the Postal Service to be a misunderstanding of the facts. The legal basis for any denial would be the Postal Service's obligation under the Rules of Practice and Procedure of the Postal Regulatory Commission to not admit to assertions of fact that are false, misleading or otherwise incorrect, since doing so would create an unreliable evidentiary record upon which the Commission would be expected to base its advisory opinion.

## **RESPONSE OF THE UNITED STATES POSTAL SERVICE**

### **TO CITY OF POCATELLO INTERROGATORY**

CPI/USPS-27: On Page 5 of the Pocatello AMP Summary, it states there are no changes to collection box times. Please state how there will be no changes to the collection box times with the consolidation of the Pocatello AMP, closure of the Clark Street Main Post Office, closure of the Bannock Station, and earlier dispatch times to Salt Lake City.

#### **RESPONSE**

There are no changes to collection box pickup times associated with the plan to consolidate the Pocatello P&DF because such changes would not be necessary to support nationwide application of a 2-day service standard to single-piece First-Class Mail, including such mail originating and destinating in Pocatello.