

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

Mail Processing Network Rationalization
Service Changes, 2012

Docket No. N2012-1

**AMERICAN POSTAL WORKERS UNION, AFL-CIO,
MOTION TO COMPEL RESPONSES TO APWU
INTERROGATORIES APWU/USPS-T6-28, 29, 31-33 and 36
(April 18, 2012)**

On April 6, 2012, the American Postal Workers Union, AFL-CIO (APWU), propounded interrogatories APWU/USPS-T6-28-37 on USPS Witness Martin (USPS-T-6). On April 16, 2012, the United States Postal Service (USPS or Postal Service) filed objections to these interrogatories. APWU hereby respectfully requests the Commission move to compel the Postal Service to respond to interrogatories APWU/USPS-T6-28, 29, 31-33 and 36.

The Postal Service objects to these interrogatories solely on the ground that they were directed to Postal Service witness Martin claiming that this amounts to a unilateral extension of discovery on the Postal Service's direct case.¹ This objection ignores the provisions in the Commission's Rules of Practice and Procedure which deal with discovery in general and rebuttal discovery in particular. Specifically, Rule 25(a) states:

(a) Rules 26 through 28 allow discovery reasonably calculated to lead to admissible evidence during a noticed proceeding. Generally, discovery against a participant will be scheduled to end prior to the receipt into evidence of that participant's direct case. **An exception to this procedure shall operate in all proceedings brought under 39 U.S.C. 3622, 3623, 3661 and 3662 when a participant needs to obtain information (such as operating procedures or data) available only from the Postal Service. Discovery requests of this nature are permissible only for the purpose of the development of rebuttal testimony** and may be made up to 20 days prior to the filing date for final rebuttal testimony. [emphasis added]

Nothing in the Commission's Rules of Practice and Procedure or in any Commission precedent requires that rebuttal discovery be directed solely to the Postal Service to be

¹ Objections of USPS to APWU Interrogatories APWU/USPS-T6-28-37 at 3 (April 16, 2012).

permissible. The Rules merely require that the discovery requests be designed for the purpose of developing rebuttal testimony. That the APWU chose to direct the interrogatories to a particular witness with the demonstrated expertise necessary to provide responsive answers and not to the Postal Service as an institution is irrelevant. Therefore, the Postal Service objections to Interrogatories APWU/USPS-28, 29, 31-33 and 36 are groundless and the Postal Service should be compelled to provide the requested information.

APWU Interrogatories Seek Information Necessary and Relevant to Rebuttal

Interrogatories APWU/USPS-28, 29, 31-33 and 36 each seek information available only from the Postal Service which is relevant to this case and necessary for rebuttal. For example, APWU/USPS-T6-28 which asks:

State separately the number of PVS routes and the number of HCR routes in each of the following categories:

- Inter-Area
- Inter-Cluster
- Inter-P&DC
- Intra-P&DC

and APWU/USPS-T6-29 which asks:

For each of the following types of routes, state the average miles per route and the average cost per route for PVS routes and, separately, for HCR routes:

- Inter-Area
- Inter-Cluster
- Inter-P&DC
- Intra-P&DC

collectively seek information necessary to contest the Postal Service's claims of transportation savings as a result of the network rationalization proposal at issue in this docket. Specifically, the Postal Service asserts that it can increase transportation savings² as a result of closing PVS sites and utilizing HCR, which are alleged to be cheaper on a per mile basis than PVS.³ However, Witness Bradley acknowledged that his savings estimates assumed the methodologies used by witness Martin to conclude

² Tr. 5/1812.

³ Tr. 5/1815.

that PVS sites were more expensive than HCRs were correct. He further confirmed that it was possible that if the methodologies used were not proper (for example excluded overhead and administrative costs from HCR routes) then the assumption that HCR routes are cheaper would not necessarily be true.⁴

The information sought in interrogatories APWU/USPS-T6-28 and 29 would allow the APWU to challenge the methodologies and assumptions used regarding the costs of PVS relative to HCRs. APWU submits that this information could demonstrate that the Postal Service's comparison of an average PVS to an average HCR might be an "apples to oranges" comparison. For example, PVS routes are generally relatively short, in urban areas, and have lots of stops. Consequently, the average speed of PVS routes is reduced. In contrast, if the HCRs contain a large number of miles on the open road, meaning longer hauls, the average speed of HCRs will be greater. Under these circumstances, clearly the comparison of HCRs to PVS is inappropriate. Furthermore, the PVS routes include a lot of non-driving time for drivers as compared with the average HCR route. Obtaining the mileage, hours and costs of the various subsets of route types will enable APWU to provide a better comparison with the average PVS route for purposes of savings than the HCRs.

Interrogatories APWU/USPS-31-33 and 36, while seeking different information are also necessary to enable the APWU to challenge costs savings estimates and to propose alternatives to the current and expected USPS vehicle fleet arrangement. Specifically, APWU/USPS-T6-31 seeks a better view of the load that is being carried. The answer provided may suggest that when schedules do not permit co-loading and consolidation of loads, the Postal Service should be using smaller vehicles most of the time on many routes. A change in the mix of vehicles in the USPS fleet could have significant costs implications not acknowledged by the Postal Service that the Commission should be aware of.

In conjunction with APWU/USPS-T6-31, interrogatories APWU/USPS-T6-32 and 33 and 36 seek information solely in the possession of the Postal Service that would allow APWU to suggest alternatives to the fleet by identifying the category (or categories) of routes where consolidation is not a legitimate solution to excess capacity.

⁴ Tr. 5/1815-1816.

The information sought by APWU/USPS-T6-31-33 is needed to understand the USPS network before implementation of its network rationalization plan, whereas APWU/USPS-T6-36 is forward looking. In any event, a response to each interrogatory is needed to present an alternative to the transportation and USPS fleet of vehicles.

The Commission is tasked with reviewing the Postal Service plan in this case and providing an informed Advisory Opinion on whether the network rationalization complies with Title 39. In every other Advisory Opinion issued by the Commission it has provided concrete analysis and suggested improvements to the Postal Service on ways to ensure that it meets its obligations under Title 39. APWU submits that the analysis we suggest is relevant and useful to the Commission's deliberations in this case. Given the unprecedented reduction in service at issue and the real possibility that the Postal Service plan does not conform to the various policies and requirements of Title 39, APWU believes the Commission should be aware of alternatives to the Postal Service plans that also save costs, but better preserve service and more fully comply with the important requirements and policies of Title 39.

Conclusion

For the foregoing reasons, APWU respectfully requests that the Commission move to compel the Postal Service to provide responses to APWU/USPS-T6-28-29, 31-33 and 36 immediately. Furthermore, since rebuttal testimony is scheduled to be submitted on Monday, April 23, 2012 and the Postal Service took the entire 10 days allowed under the rules before objecting, APWU requests that procedures be used to expedite the filing of any Postal Service reply and/or answers to these interrogatories.

Respectfully submitted,

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**Attachment to APWU Motion to Compel Responses to
APWU Interrogatories APWU/USPS-T6-28, 29, 31-33 and 36**

APWU/USPS-T6-28. State separately the number of PVS routes and the number of HCR routes in each of the following categories:

- Inter-Area
- Inter-Cluster
- Inter-P&DC
- Intra-P&DC

APWU/USPS-T6-29. For each of the following types of routes, state the average miles per route and the average cost per route for PVS routes and, separately, for HCR routes:

- Inter-Area
- Inter-Cluster
- Inter-P&DC
- Intra-P&DC

APWU/USPS-T6-31. You testified (p. 5, line 9) that: “Generally, a truck run that is routinely less than sixty (60) percent full is directed to a consolidation facility so that the Postal Service can take full advantage of the truck’s carrying capacity.”

- a. Is the 60% full designation of truck utilization by Mail Transfer Equipment (MTE) or by actual mail volume?
- b. Does the 60% full designation include empty MTE – that is if a full truck is carrying 50% of MTE that are fully laden and 20% of MTE that are empty, does this load run direct or through consolidation point?
- c. Has the USPS ever engaged in estimating the cube utilization of routes by actual mail cube (not MTE) as a percentage of vehicle cube? If yes, provide examples.
- d. What is the basis for using 60 percent for such decisions – how is the type and size of truck factored into such decision process, and how is the costing adjusted if a smaller truck can be used that provides for 80 percent or 100 percent utilization and reduces operating cost?

**Attachment to APWU Motion to Compel Responses to
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APWU/USPS-T6-32. For each of the following types of routes, state how many trucks are directed for consolidation in each category, and state what percentage of trucks in category are directed for consolidation:

- Inter-Area
- Inter-Cluster
- Inter-P&DC
- Intra-P&DC

APWU/USPS-T6-33. On the limited number of plants where studies have been conducted, what is the distribution of cube utilization of vehicle dispatch of Inter- P&DC routes in the following ranges?

- 0-25%
- 21-50%
- 51-75%
- 76-100%

APWU/USPS-T6-36. You testified (p. 9, line 5) that: “As a result (of Plant Consolidation), the Postal Service will be able to increase the capacity utilization of trucks that operate between plants.” Does this savings percentage account for current cube utilizations and circuitous routing?