

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

MAIL PROCESSING NETWORK RATIONALIZATION  
SERVICE CHANGES, 2011

Docket No. N2012-1

**RESPONSES OF UNITED STATES POSTAL SERVICE  
WITNESS FRANK NERI  
TO AMERICAN POSTAL WORKERS UNION INTERROGATORIES  
REDIRECTED FROM WITNES WILLIAMS  
(APWU/USPS-T1-49 THROUGH 55)**

The United States Postal Service hereby files the responses of witness Frank Neri to the above-listed interrogatories of American Postal Workers Union dated March 9, 2012. Each interrogatory is stated verbatim and followed by the response. The interrogatories have been redirected to witness Neri for response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno, Jr.  
Chief Counsel, Global Business

Michael T. Tidwell

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2998; Fax -5402  
April 18, 2012

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

**APWU/USPS-T1-49**

In your response to APWU/USPS-T1-21 you confirmed Mr. Neri's description of LR 57 as being a list of 487 mail processing facilities in the Postal Service network as of September 15, 2011.

- a) Please confirm that the following facilities on the Postal Service's February 22, 2012 list of facilities that have been approved for consolidation do not appear in LR 57: 1) Alamogordo, NM CSMPC; 2) Albany, GA CSMPC; 3) Athens, GA P&DF; 4) Bloomington, IN P&DF; 5) Campton, KY CSMPC; 6) Clovis, NM CSMPC; 7) Farmington, NM CSMPC; 8) Jackson, TN P&DF; 9) Owensboro CSMPC, KY; 10) Quincy, IL P&DF; 11) Socorro, NM CSMPC; 12) Truth or Consequences, NM CSMPC; 13) Tucumcari, NM CSMPC; 14) Glens Falls, NY CSMPC; 15) Portage, WI CSMPC; 16) Poteau, OK CSMPC; 17) Valdosta, GA CSMPC; 18) Wareham MA CSMPC; and 19) Woodward, OK CSMPC.
- b) If you cannot confirm, please provide the number and name of the facility listed in LR 57 that matches to each of these facilities.
- c) Please confirm that these facilities were part of the mail processing network on September 15, 2011 and continue to be part of the mail processing network today.
- d) Please provide a list of any other active mail processing facilities that are missing from LR 57.

**RESPONSE**

I was aware that USPS Library Reference 57 included network facilities among the 487 mail processing facilities it listed.

- a. Not confirmed.
- b. Wareham is also known as Cape Cod.
- c. Confirmed, with the caveat that the listing of facilities contained in USPS Library Reference 57 was produced originally for purposes of the Annual Report and includes sites such as CSMPCs, in addition to those considered to be "network facilities," as that term is ordinarily used in Network Operations Management. Accordingly, the indication in the text of the Preface of that Library Reference that it consists of a "list of Postal

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**RESPONSE to APWU/USPS-T1-49 (continued)**

Service Facilities" is a more informative description of the list than the title "Facilities in the Postal Service Network".

- d.* The list of facilities includes those designated by the Postal Service as network facilities. In general, the network facilities have automated equipment. Note, CSBCS-only sites are generally not included in the network facility category. Accordingly, the Postal Service would also include (1) Albany, GA (2) Athens, GA (3) Bloomington, IN and (4) Quincy, IL.

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**APWU/USPS-T1-50** In response to POIR 5, Q 9, the Postal Service provided the AMP studies for most of the facilities listed on the February 22<sup>nd</sup> list of facilities approved for consolidation (LR 73). Please confirm that the AMP study is the source of the correct information about which activities will be consolidated at each location (e.g. origin and destination, destination only, origin only).

**RESPONSE**

AMP decision documents such as those contained in USPS Library Reference 73 describe the originating and/or destinating operation identified for consolidation.

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**APWU/USPS-T1-51** In response to POIR 5, Q 9, the Postal Service provided the AMP studies for most of the facilities listed on the February 22<sup>nd</sup> list of facilities approved for consolidation (LR 73). However, the Staten Island/Brooklyn consolidation of destinating mail does not appear in this filing. Will that be provided later?

**RESPONSE**

It was inadvertently not included in USPS Library Reference 73 and will be filed as part of an upcoming USPS Library Reference.

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**APWU/USPS-T1-52** In response to POIR 5, Q 9, the Postal Service provided the AMP studies for most of the facilities listed on the February 22<sup>nd</sup> list of facilities approved for consolidation (LR 73). Please confirm that the savings estimated for the approved AMPs presented here is less than \$1 billion.

**RESPONSE**

Aggregating the savings for those AMPs provided so far may very well lead to a total less than \$1 billion. As stated in response to APWU/USPS-T1-26, the AMP process is not intended to estimate the overall savings associated with the Network Rationalization initiative. The AMP process was utilized to assess facility-specific business cases for consolidation.

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**APWU/USPS-T1-53** In response to POIR 5, Q 9, the Postal Service provided the AMP studies for most of the facilities listed on the February 22<sup>nd</sup> list of facilities approved for consolidation (LR 73).

- a) A review of the summary pages of those AMP studies show that in more than 50 analyses the net number of management and supervisory employees is expected to increase once the consolidation takes place. Yet there are savings estimated in management and supervisory hours for most of these cases. Please explain the circumstances that cause both of these to be true. [As one example, Topeka KS consolidation into Kansas City, MO shows a net increase of 8 PCES/EAS employees yet expects a savings of over \$400,000 per year to be generated from this consolidation. While one notes that the table of employee counts on page 5 is labeled Provo/Grand Junction, the numbers themselves do not appear to match that pairing and therefore are assumed to pertain to the Topeka/Kansas City consolidation.]
- b) Please explain why it would be necessary to increase management/supervisory employees when most of the consolidations reduce workhours associated with craft employees.
- c) There are a handful of cases where, on net, the number of craft employees is expected to increase after the consolidation yet in most of those cases there is an expectation of craft workhour savings. Please explain the circumstances that cause both of these to be true. [ Jackson, TN and Kinston, NC are two examples.]

**RESPONSE**

- a-b. A reduction in authorized management positions was applied by the local sites when estimating the savings. In many cases, the sites have vacant management positions on the rolls but are covering these positions with detailed employees from other facilities, detailed craft employees (204b), or extra straight time supervisory hours. The reduction of authorized management positions in the workbooks was accompanied by a reduction of full-time equivalent supervisory or management hours. This explains why many AMP workbooks demonstrate a management savings, but an increase in management positions. The proposals indicate a need to fill

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**RESPONSE to APWU/USPS-T1-53 (continued)**

an authorized position, however the net number of workhours used will decrease due to a reduction in detail, 204b, or extra straight time hours.

c. There are several reasons why craft employees and craft savings may not appear to align with one another:

- The number of positions identified in the AMP packages are a result of a "Full Time Equivalent" calculation and may not be directly related to mail processing positions. These calculations were based upon the national average of each craft employee averaging 1745 work hours per year. The number of positions identified in the AMP packages was a base formula that estimated the total number of estimated hours at the gaining site divided by 1745 work hours to determine the projected staffing. In some sites, employees are averaging greater than 1745 which could have produced the results for which you are referring.
- The overall craft position change on the executive summary contains several different crafts (e.g., mail processing, maintenance, motor vehicle, etc.) and the Mail Processing Craft Savings only pertains to the clerk and mailhandler positions.

**RESPONSE to APWU/USPS-T1-53 (continued)**

- Any changes between the positions from one craft to another impact the workhour costs.
- Any changes between the positions from one facility to another impact the workhour costs.

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**APWU/USPS-T1-54** As of February 22, there were six facilities that were still being studied, when does the Postal Service anticipate making decisions about those six facilities?

**RESPONSE**

After all required pre-decisional analysis is completed.

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**APWU/USPS-T1-55**

In LR 73, there are two different studies filed for the originating and destinating mail consolidation for Ft. Lauderdale P&DC, which appear to be evaluated for different but partially overlapping periods of time. What steps were followed to make sure that these two studies provide the same answer as a single study on the consolidation of O&D mail would have provided?

**RESPONSE**

Originating mail volumes and associated allied activities were removed from the Destinating model to ensure that the workhours savings were not duplicated. In the Originating model, the Destinating mail volumes and associated allied activities were removed in order to ensure that the workhour savings were not duplicated.