Postal Regulatory Commission
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Before The
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK RATIONALIZATION SERVICE CHANGES, 2012 — **Docket No. N2012-1**

REPLY BRIEF OF
AMERICAN POSTAL WORKERS UNION, AFL-CIO,
(July 20, 2012)

The American Postal Workers Union, AFL-CIO (APWU) hereby submits its Reply Brief in Docket No. N2012-1. We file this Reply Brief to respond to the Postal Service's mis-characterization of the Commission's authority in this case and to urge the Commission to provide a robust Advisory Opinion that thoroughly examines the Postal Service's proposal and recommends against its implementation.

I. TO CERTIFY THAT THE MPNR PROPOSAL CONFORMS TO THE POLICIES OF THE ACT, THE COMMISSION MUST CONSIDER EVERY SIGNIFICANT ASPECT OF THE PROPOSAL

We make this point in response to repeated statements in the Postal Service's Initial Brief that would, if they were to be adopted by the Commission, incorrectly minimize the role of the Commission in Section 3661 cases. We begin by briefly re-stating the Section 3661 standard and the major policies "established under" the Act, which the Commission must use as benchmarks for its Advisory Opinion. We then review some of the pertinent experience of the Commission in applying Section 3661by way of confirming that the Commission has, in the past, interpreted and applied Section 3661 in accordance with its plain meaning. We next briefly re-state the various efforts by the Postal Service in its Initial Brief to put a minimizing gloss on the Commission's statutory authority and respond to the Postal Service's discussion of decisional authority under the Act. We conclude by discussing the pertinence of changes made by the PAEA of 2006.

A. The Commission Must Advise The Postal Service With Reference To The Facts Of This Case And The Policies of The Act

1. When considering the role of the Commission under Section 3661, it is helpful to consider all three paragraphs of that Section.

Section 3661 provides:

(a) The Postal Service shall develop and promote adequate and efficient postal services.

(b) When the Postal Service determines that there should be a change in the nature of postal services which will generally affect service on a nationwide or substantially nationwide basis, it shall submit a proposal, within a reasonable time prior to the effective date of such proposal, to the Postal Regulatory Commission requesting an advisory opinion on the change.

(c) The Commission shall not issue its opinion on any proposal until an opportunity for hearing on the record under sections 556 and 557 of title 5 has been accorded to the Postal Service, users of the mail, and an officer of the Commission who shall be required to represent the interests of the general public. The opinion shall be in writing and shall include a certification by each Commissioner agreeing with the opinion that in his judgment the opinion conforms to the policies established under this title.

The Section begins with the command that the Postal Service "shall develop … adequate and efficient postal services." This command provides a useful context for the next two paragraphs of the Section. The trigger provided by paragraph (b) is that the Postal Service wants to make a change in "postal services … on a nationwide or substantially nationwide basis." The inference to be drawn from these two paragraphs is clear; the Postal Service's desire to change service must be evaluated in light of its obligation to provide adequate and effective postal services. The third paragraph of the Section guarantees interested parties a right to a fair hearing on the record concerning the proposed changes. It then requires that the Commissioners each certify that the Commission's Advisory Opinion "conforms to the policies established under this title" (Title 39, the PRA as amended by the PAEA). These policies include:

> …The Postal Service shall have as its basic function the obligation to provide postal services to bind the Nation together through the personal, educational, literary, and business correspondence of the people. It shall provide prompt, reliable, and efficient services to all communities…

39 U.S.C. § 101(a); and

> The Postal Service shall provide a maximum degree of effective and regular postal services to rural areas, communities, and small towns where post offices are not self-sustaining…

Id. at § 101(b). Section 101(e) requires the Postal Service to "give the highest consideration to the requirement for the most expeditious collection, transportation, and delivery of important letter mail," while Section 101(f) requires that

> In selecting the modes of transportation, the Postal Service shall give the highest consideration to the **prompt** and economical delivery of all mail. Modern methods of transporting mail by containerization and **programs designed to achieve overnight transportation to the destination of important letter mail to all parts of the Nation shall be** a **primary goal** of postal operations. [emphasis added]

Additionally, Section 404 of the Act details the specific powers granted to the Postal Service, including the provision of First Class Mail service on a nationwide basis at a uniform rate. In exercising its authority under Title 39, Section 403 of the Act requires the Postal Service to balance the economies of postal operations with the public's access to essential postal services.

Furthermore, the Postal Service has to comply with specific requirements related to the rates it is permitted to charge for postal services and the services provided. For example, Section 3622(e) limits the discounts given to mailers who perform workshare activities, requiring that those discounts not exceed the costs avoided by Postal Service as a result of the mailers' worksharing.

Finally, Title 39 also details the requirements when the Postal Service establishes or changes service standards. Under Section 3691:

> Such standards shall be designed to achieve the following objectives:
>
> (1) In general.--Such standards shall be designed to achieve the following objectives:
>
> (A) To enhance the value of postal services to both senders and recipients.

(B) To preserve regular and effective access to postal services in all communities, including those in rural areas or where post offices are not self-sustaining.

(C) To reasonably assure Postal Service customers delivery reliability, speed and frequency consistent with reasonable rates and best business practices.

The development of these standards must also take these factors into account:

(1) the actual level of service that Postal Service customers receive under any service guidelines previously established by the Postal Service or service standards established under this section;

(2) the degree of customer satisfaction with Postal Service performance in the acceptance, processing and delivery of mail;

(3) the needs of Postal Service customers, including those with physical impairments;

(4) mail volume and revenues projected for future years;

… .

2. The Commission Has Long Understood That Its Role Under Section 3661 Requires It to Offer Critical Advice and to Recommend Alternatives

In Docket No. N89-1, the Commission considered a proposal to change the service standards for delivery of First Class Mail. The standards current at the time of the request required delivery within one or two days "where it is logistically feasible." The Postal Service proposed to "change the delivery commitment of five to 15 percent of mail from overnight delivery to two-day, and five to ten percent of mail from two-day to three-day delivery." N89-1; Advisory Op. at 1. "The Postal Service justified its realignment request by relying on market research" from which "the Postal Service infers that customers would prefer a reduction in service levels … in exchange for an increase in the percentage of the mail meeting the standard time allowance." Id

After approximately ten months, during which there were evidentiary submissions, testimony and briefing by 28 intervenors, including the Commission's Office of the

Consumer Advocate, the Commission issued an Advisory Opinion stating: "Based on the record before us, we find that the Postal Service's proposed nationwide reductions in service levels are not justified. We advise the Postal Service not to implement the realignment plan nationwide." Opinion at 2 (emphasis original). In determining to make this recommendation, the Commission subjected the Postal Service's efforts to justify its proposed changes to searching examination. For example, the Commission observed:

> [1037] If 95 percent of mail scheduled for overnight delivery is actually delivered on time, it would appear illogical for the Service to propose that overnight standards be changed to improve "consistency." In addition, the question can be asked: why change overnight standards when more than 98.5 percent of overnight mail is delivered in two days? Although we do not know why mail scheduled for overnight delivery is delayed more than one day, we doubt that the Postal Service realignment plan would affect this percentage significantly. The Postal Service's response to information Request No. 1 indicates that 34 of 468 SCFs are not meeting overnight standards 90 percent of the time.
>
> [1038] This would suggest that a less sweeping plan of modifying service standards would be appropriate. Such a plan should focus on making operational improvements in the 34 of the 468 Sectional Facilities Centers which are not meeting overnight standards 90 percent of the time. This would probably produce a gain in actual quality of overnight service almost equivalent to that which would be produced by the nationwide realignment plan but without as much disruption or cost …

PRC Advisory Opinion in N89-1, at 17 ¶¶ 1037-1038. The Commission concluded:

> [1076] In the Commission's opinion, it is specious for the Postal Service to construe the choice of consistency over speed as constituting support for a realignment which contemplates increasing the standard time for mail delivery while providing minimal, if any, countervailing benefits to the postal customer…

Id. at 33, ¶ 1076.

Examination of other Section 3661 proceedings before the Commission reveals similarly complex and thorough records with similarly sophisticated examination of the merits of Postal Service proposals. *See* Attachment A "Survey N-Cases" attached hereto.

Thus, it is clear beyond peradventure that the Commission's role under Section 3661 has been to provide a searching review and criticism of proposed changes, and to provide advice concerning alternatives the Commission finds to be more advisable.

B. The Postal Service Effort To Marginalize The Commission And Minimize The Commission's Role Is Unsupported

The Postal Service acknowledges that "the changes [before the Commission in this case] will be the most significant changes in the nature of service since the administrative review process in section 3661 was established as part of the 1970 Postal Reorganization Act." USPS Initial Brief at 8. In the Postal Service's view, however:

- "[a]s it relates to such changes, the Commission's review is 'relatively passive' and 'unadorned by the overlay of broad … responsibility for industry guidance and of wide discretion in choosing the appropriate manner and means of pursuing [the Postal Service's] statutory mandate." USPS Initial Brief at 9.

- "[T]he role of the Commission is not to advise what it would do…" USPS Initial Brief at 9.

- Section 3661 is not an invitation for the Commission to second-guess the judgment of postal management. USPS Initial Brief at 1.

- The Commission's role is to develop an evidentiary record and to opine whether the planned service change is permitted by the policies of title 39. USPS Initial Brief at 10.

- "Once the Board [determines] that a substantially nationwide service change is necessary … the potential financial implications of such a change have already been considered to the extent the law requires." USPS Initial Brief at 11.

In an effort to support its sweeping dismissal of the Commission's advisory role under Section 3661, the Postal Service argues that the Commission's practice of making a searching inquiry into the cost or savings implications of proposed service changes "seems to be a vestige of cost of service ratemaking, which has since been eliminated by the Postal Accountability and Enhancement Act." USPS Initial Brief at 11. It also cites a Court of Appeals decision Governors of U.S. Postal Service v. U.S. Postal Rate Commission, 654 F.2d 108 (D.C. Cir. 1981)), that concerns the Commission's authority under the rate and classification provisions of the PRA of 1970.

These arguments are unavailing for several reasons. First, the rate and classification provisions of the 1970 law were different from, and separate from, the provisions in Section 3661 for Commission review of proposed service changes. Under

Sections 3622 and 3623, the Commission was assigned a very specific duty to examine rate and classification requests by the Postal Service against a list of criteria stated in the law. Under Section 3624, the Commission was directed to hold hearings and then to make a recommendation to the Board of Governors that included "a statement specifically responsive to the criteria established under section 3622 or 3623, as the case may be." (Section 3624(d) of the PRA of 1970 [Pub.L. 91-375, Aug. 12, 1970, 84 Stat. 761; Pub.L. 94-421, § 5(a), Sept. 24, 1976, 90 Stat. 1306; Repealed. Pub.L. 109-435, Title II, § 201(b), Dec. 20, 2006, 120 Stat. 3205).

Significantly, the Board of Governors had only limited discretion once it received the Commission's recommended decision in a rate or classification matter; it could "approve, allow under protest, reject, or modify that decision in accordance with the provisions of his section." Section 3625(a), Pub.L. 91-375, Aug. 12, 1970, 84 Stat. 762; Pub.L. 103-123, Title VII, § 708(d), Oct. 28, 1993, 107 Stat. 1273; Repealed. Pub.L. 109-435, Title II, § 201(b), Dec. 20, 2006, 120 Stat. 3205.) Thus, the Commission provided the Governors a "recommended decision" on a rate or classification matter, not an "advisory opinion" as under Section 3661. And the Governors were not just required to receive it and consider it before acting; they were required to make a very specific decision to "approve, allow under protest, reject or modify a recommended decision of the Commission" in writing and with an explanation and justification. No such delineation of the Commission's authority, and no such threatened entrenchment on the authority of the Board is at issue in this case. Section 3661 calls on the Commission to issue an Advisory Opinion, not a recommended decision that might limit the prerogatives of the Board.

Thus, the Postal Service's attempt to analogize the Commission's role under Section 3661 to the Commission's former role under rate and classification matters fails at its inception because the Commission's role in rate and classification matters was very different from its role in service change cases under Section 3661. The attempted comparison also fails because Section 3661 is unchanged by the PAEA. There is no reason to infer that Congress intended to change the operation of a section of the law that it left unchanged. And it would be contrary to a standard canon of statutory construction to find that Congress had amended a statutory provision by implication. U.S. v. Welden,

377 U.S. 95, 103 fn 12 (1964) citing Sutherland, Statutory Construction (3d ed.) 365-366 ("Amendments by implication, like repeals by implication, are not favored").

For the same reason, the Postal Service's attempt to rely on Governors of U.S. Postal Service v. U.S. Postal Rate Commission, 654 F.2d 108 (D.C. Cir. 1981), is unavailing. That case concerned a new mail classification, a program called "E-Com," that the Postal Service was seeking to implement. The dispute between the Board and the Commission boiled down to a determination by the Commission to make the classification experimental and limit its duration. The Board allowed the Commission's recommended decision to take effect under protest and appealed to the Court of Appeals. The Court held:

> This judgment was peculiarly one for management to make, yet by its recommended decision the Postal Rate Commission attempted to overrule it. We hold that by so doing the Rate Commission exceeded its authority and strayed from its ratemaking and classification powers to intrude upon the management functions of the Board of Governors.
>
> The Commission's recommended decision also trenches on the authority of the Governors by usurping their exclusive statutory right to determine the date on which a change in the mail classification schedule will occur.

654 F.2d 108, 115. In contrast, Section 3661 poses no threat that the prerogatives of the Governors will be usurped.

Insofar as the changes made in the regulatory scheme by the PAEA have any bearing on this issue, as the Postal Service seems to imply, those changes suggest that Congress intended to subject proposed service standard changes to more searching scrutiny, not to less scrutiny. By establishing a CPI cap on rates, the PAEA created pressure for the Postal Service to reduce service standards as a means of relieving the pressure caused by the rate cap. This possibility was addressed in Section 3691 of the Act which was added by the PAEA. Under that provision, the Postal Service was required to establish service standards in accordance with specific objectives and factors set by Congress. And violations of those standards are made subject to a complaint process with strengthened remedial authority for the Commission under Section 3662 of the Act.

This legislative history of the PAEA provides no basis for inferring that Congress intended in any way to weaken the role of the Commission under Section 3661. Quite the

contrary, it must be assumed that Congress was well aware of the long history of searching inquiries and detailed advice provided by the Commission under 3661 and chose not to change the operation of that section of the law.

Furthermore, the PAEA strengthened the authority of the Commission in Section 3661 proceedings by giving the Commission the power to issue subpoenas to obtain the testimony of postal officials or to obtain Postal Service documents pertinent to Section 3661 proceedings. *See* 39 U.S.C. § 504(f)(2). In apparent anticipation of this point, the Postal Service's Initial Brief states, at page 5, that written testimony from the Postal Service included testimony from "two executive officers of the organization." Then, on page 26, the brief asserts that it was "four executive officers of the Postal Service" who provided direct testimony. Without disparaging in any way the able, well-informed and helpful postal managers who provided testimony in this case, we nevertheless observe that none of them was an "executive officer" of the Postal Service. Attachment B to this Reply Brief is the "USPS Official Organization Chart" of the Postal Service showing the executive officers who report to the Postmaster General. None of them testified in this case. We think providing testimony of an executive officer as a policy witness would have offered the opportunity to reduce the number of Postal Service witnesses and to speed responses to inquiries.[1]

The intervenors in this case and the witnesses provided by the Commission itself provided a rich and potentially very valuable fund of knowledge and advice for the Commission and for the Postal Service. Unfortunately, the Postal Service does not seem disposed to listen to the Commission's advice. As the Postal Service's Initial Brief states "[a]dvice laden with more or different quantifications of a service change's cost implications, has not proven to be a priority for the party seeking advice: the Postal Service." USPS Initial Brief at 11-12.

[1] It should be noted that the appearance of an executive officer in proceedings before the Commission is not unreasonable or without precedent. For example, Former Postmaster General Potter submitted testimony and appeared before the Commission for oral cross-examination in Docket No. C2005-1.

II. Mathematical and Financial Analysis Is Critical to Providing Useful Advice and Recommendations

In its Initial Brief, the Postal Service asserts:

> Once the Board [determines] that a substantially nationwide service change is necessary … the potential financial implications of such a change have already been considered to the extent the law requires. . . Advice laden with more or different quantifications of a service change's cost implications has not proven to be a priority for the party seeking advice: the Postal Service.

USPS Initial Brief at 11, 12.

To weigh the interests and concerns of mailers and the general public against any claimed efficiency in postal services, the Commission **must** examine the financial implications. One important tried and true method is an attempt to replicate Postal Service cost/savings estimates. This process helps reveal details, provides a better understanding of any initiative, reveals strengths and weaknesses, and reveals missing pieces or pieces that do not belong. Mathematical modeling serves a similar function.

If the Commission finds inadequacies or flaws in the financial information supporting an initiative or creates a record of the concerns of mailers and the general public about their financial concerns; the Commission provides a valuable service by so informing the Board in its Advisory Opinion – and by recommending improvements. Without such an inquiry and examination, the Commission will not be in position to advise. Former Postmaster General Blount's testimony before the Senate Committee on Post Office and Civil Service provides a succinct explanation of the role and importance of Commission review under Section 3661:

> Under today's law, the Postmaster General can unilaterally cut back for economy or any other reason. Under the [proposed] Act, by way of contrast, no major change in postal service could be made until the affected users have had an opportunity to be heard and the public members of the Board … have been able to satisfy themselves in the light of the hearings, that the change is in the public interest.

Hearings Before the Committee on Post Office and Civil Service U.S. Senate 91st Congress, First Session on Reorganization of the Postal Establishment to Provide for Efficient and Economical Postal Service, October 6, 13, 16, 20, 21, 22, 27, 28; November 5, 10, 12, 13, 21, 25; and December 1, 1969, at 236.

It is consistent with the role and responsibilities of the Board of Governors, postal management and the Postal Regulatory Commission for the Governors and management to consider the record created and the Advisory Opinion of the Commissioners in making its future decisions. Nothing in the history of N-cases suggests that the Governors or management have made final decisions about the efficacy of nature of service requests and their financial implications before the PRC creates a record and offers its opinion and advice. For example, in N89-1, the Commission advised against pursuing nation-wide changes in First Class service standards. It appears the Postal Service took the advice and instead pursued gradual changes in limited geographical areas. In many other N-dockets we see the Postal Service responding affirmatively to criticism and recommendations.

It makes a difference to mailers whether added burdens or costs in their use of mail might be offset with Postal Service cost savings and a possible return to mailers in future lower rates or better performance. It makes a difference to mailers using various products whether proposed changes in networks designed to provide cost savings in processing one type of mail will harm performance in other products or raise their rates because of added resources to maintain performance in other products. It makes a difference whether changes in service standards are required to achieve proposed or estimated cost savings.

In the present case, the Commission must examine the extent to which consolidations and productivity improvements are possible without a change in service standards; to that extent such savings are not properly credited to the rule change degrading service standards. Similarly, mail and revenue chased off by degradation of service standards should be subtracted from the net savings – after subtracting all savings achievable under current service standards. While we do not hold with the Postal Service position that financial implications have to change sign before becoming relevant; there is a significant risk that this initiative <u>will</u> go negative. Whatever the savings, they should be evaluated against costs to mailers to adapt to the change and against the potential loss of some newspapers and periodicals that may go out of business.

The Commission must undertake a thorough evaluation of the cost and savings estimates provided. This requires a critical examination of the baseline provided for estimating cost savings and analysis of the costs savings that are solely attributable to the proposed degradations in service standards. In its Initial Brief the Postal Service suggests that the APWU witness Kobe's criticisms of the cost savings are unfounded and suggest only minimal changes to the cost estimates provided. However, the estimates provided from the AMPs announced on February 23, 2012, clearly show that Kobe's criticisms are valid and that the network rationalization proposal will likely save far less than what the Postal Service predicts.

Specifically, the total estimated costs savings predicted by the Postal Service is approximately $2.1 billion. Yet, the costs savings estimated by the completed AMPs total only $950 million. The Postal Service asserts that the AMPs, which are based on local analysis, do not fully capture the expected savings associated with the nationwide network rationalization. However, the Postal Service has failed to provide any quantification of the over $1.1 billion dollars in savings unaccounted for in the AMPs. Furthermore, with the phased implementation of the service standard changes announced May 25, 2012 the estimated savings are now split over multiple years. The most significant changes to service standards will occur in Phase 2, expected to be implemented in 2014. The Phase 1 cost savings cannot include significant additional savings above what is estimated in the AMPs since the major operational changes that the Postal Service contends will increase its savings will not occur until 2014. Thus, under phased implementation the Postal Service can expect approximately $405 million savings in Phase 1, as estimated by the AMPs, leaving the remainder to be recovered in 2014. Yet the Postal Service has provided no meaningful analysis to support an estimated savings of $1.7 billion dollars in Phase 2.

In the concluding remarks of its Initial Brief, the Postal Service declares that "Network Rationalization consists of the single most comprehensive effort the Postal Service has ever undertaken, to ensure that its mail processing network can continue to meet the needs of all users." USPS Initial Brief at 126. However, the Postal Service has not performed a true cost/benefit analysis of this effort. As discussed more fully in our Initial Brief, MPNR is a high risk strategy, yet the Postal Service has casually dismissed

the portions of its own financial analysis challenging its cost savings and revenue loss estimates without even considering what this analysis implies regarding future cost savings. Therefore, based on the evidence presented in this case, the Commission should find that the Postal Service has failed to provide credible calculations of plausible, sufficient savings to support the proposed service standard degradations.

The Commission should not be deterred by the comments in the Postal Service brief from providing a thorough financial examination of the Postal Service proposal. This is necessary for the Commission to satisfy its responsibilities under Section 3661 to provide appropriate advice and recommendations on the proposed changes in service standards. To do otherwise would be a disservice to the Postal Service Governors, to the intervenors, and to the public.

III. Conclusion

The Commission's Advisory Opinion should provide a thorough analysis of the Postal Service proposed Mail Processing Network Rationalization Plan. We respectfully submit that the Commission should advise the Postal Service that the evidence in this case fails to establish plausible, significant savings warranting the severe degradation in service proposed; that the plan as proposed creates a substantial risk that service provided to other postal products will be damaged; and that potential Postal Service gains in market share in the parcel market will be compromised Accordingly, the Commission should recommend that the Postal Service forego further implementation of its network rationalization proposal that would require a change in service standards.

Respectfully submitted,

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

ATTACHMENT A

SURVEY N-CASES

CASE #	Summary of Proposed Change	Date Request filed	Date Record closed	Briefing Schedule	Date of PRC Opinion	Total Time from Request to Opinion	# of intervenors	# of USPS Witnesses	# of Intervenor Witnesses	Rebuttal Evidence Presented?	Surrebuttal evidence presented?	Hearings held at any stage?	# of motions	# of comments to extend schedule	# of oppositions to proposed schedule	# of motions for late acceptance filed by USPS	# of motions for late acceptance filed by late intervenors
N75-1	Retail Analysis Program (RAP), adopts market analysis techniques for the location of postal retail facilities. Window service scheduling and staffing examined.	4/16/1975		Initial Brief: 11/14/75; Reply Brief: 12/02/75	4/22/1976	1 yr, 6 days	3	5 total witnesses	5 total witnesses	None	None	Evidentiary hearings (08/12/75 - 10/02/75)	14	0	0	0	0
N75-2	Postal Service intends to eliminate distinction between First Class and Air Mail. In upgrading the quality of service provided to first class mail, the USPS intends to provide second day service or better on presently committed third day mail.	5/14/1975		Briefs not listed in docket list. Note: this was an expedited proceeding	9/8/1975	app. 4 mos	6 (2 limited)	2	1	None	None	No	0	0	0	0	0
N86-1	Collect on Delivery Regulations. Proposal is for COD addressees to make payments directly to shipper, instead of to the Post Office (to avoid fraud).	2/12/1986	10/31/1986	Initial Brief: 11/24/1986; Reply Brief: 12/16/86	2/6/1987	app. 1 year	5	3	1	None	None	Yes (8/5/86 & 10/8/86)	4	3	0	0	0
N89-1	First class delivery standards realignment. Postal Service proposes to downgrade first class mail service on a nationwide basis. Proposed change would have downgraded 5-15% of all mail from overnight to 2-day, and 5-10% of mail from 2-day to 3-day.	9/29/1989	6/5/1990	Initial Briefs: filed in 4/24/90; Reply Briefs: 05/09/90	7/25/1990	app. 10 mos.	28	4	5	Yes	None	Yes	24	5	0	0	1
N2006-1	Evolutionary Network Development (END) strategy. Postal Service intends to use its existing Area Mail Processing (AMP) review to assure that every change "makes sense" locally before it is implemented. Reorganization done in recognition of fact that standard mail has overtaken first class mail as volume leader.	2/14/2006	11/14/2006	Initial Brief of APWU/USPS/OCA: 10/19/06; Reply Brief of USPS & Intervenors: 10/26/06	12/19/2006	app. 9 mos.	24	3	1	None	None	Yes (07/18/2006, 07/19/2006)	79	4	2	52	1
N2009-1	Station and Branch Optimization and Consolidation Initiative: examination of the portion of the retail network consisting of stations and branches that report to postmasters at or above the EAS-24 pay grade. Proposal to discontinue many of these. Such stations comprise approximately two-thirds of the over 4,800 stations and branches nationwide.	7/2/2009	7/2/2009	Initial Brief: 12/2/2009; Reply Briefs: 12/17/2009	3/10/2010	8 mos., 8 days	18	2	None	Yes	No	Public Field hearings (09/16/2009, 09/23/2009); Hearing on direct case (09/30/2009).	50	1	1	25	3
N2010 -1	Elimination of Saturday Delivery.	3/30/2010	3/24/2011	Initial briefs: 10/15/2010; Reply briefs: 10/20/2010	3/24/2011	app. 1 yr.	25	15	7	Yes	Yes	Yes. (10/04/2010); Field Hearings held (05/10, 05/12, 05/17, 05/19, 06/23 & 06/28).	107	1	0	33	18
N2011 - 1	Retail Access Optimization Initiative. This plan examines whether or not to provide retail services at 3650 post offices nationwide.	7/27/2011		Initial briefs: 11/04/2011; Reply briefs: 11/10/11	12/23/2011	app. 5 mos.	18	3	8	Yes	Yes	Yes. (10/17/11 & 10/18/2011)	55	2	0	7	4
N-2012-1	Mail Processing Network Service Rationalization Changes. PS proposal to revise standards for first class mail, periodical package services and standard mail. Proposal was to eliminate expectation of overnight service for periodicals and certain types of first class mail.	12/5/2011	7/5/2012	Initial briefs: 07/10/2012; Reply briefs due 07/20/2012	8/20/2012	app. 8 mos.	27	14	13	yes	yes	Yes. (6/28/2012, 06/13, 06/14)	190	5	0	90	16
N-2012-2	Post Office Structure Plan intends to examine and consider changes to current operating methods and conditions including hours of operation, utilized to provide retail and other services and products at approximately 17,728 of the more than 32,000 Post Offices, stations and branches in its retail network.	5/25/2012	n/a	Reply briefs due 07/20/2012	8/20/2012	less than 90 days	9	1	0	None	None	Yes (7/11/2012)	4	0	0	2	1

ATTACHMENT B

USPS OFFICIAL ORGANIZATIONAL CHART

POSTMASTER GENERAL & CHIEF EXECUTIVE OFFICER
PATRICK R. DONAHOE

Deputy Postmaster General
Ronald Stroman

- **VP Consumer & Industry Affairs** — Maura Robinson
- **VP Corporate Communications** — Sam Pulcrano
- **VP Government Relations & Public Policy** — Marie Therese Dominguez
- **Judicial Officer** — William Campbell

President & Chief Marketing/Sales Officer
Paul Vogel

- **VP Channel Access** — Kelly Sigmon
- **VP Domestic Products** — Gary Reblin
- **VP Global Business** — Giselle Valera
- **VP Pricing** — A/Scott Davis
- **VP Sales** — Cliff Rucker

Chief Operating Officer & Exec. VP
Megan Brennan

- **VP Delivery & Post Office Operations** — Dean Granholm
- **VP Facilities** — Tom Samra
- **VP Network Operations** — David Williams

Chief Financial Officer & Exec. VP
Joseph Corbett

- **AVP Capital Metro Area** — David Fields
- **AVP Eastern Area** — Jordan Small
- **AVP Great Lakes Area** — Jacqueline Krage Strako
- **AVP Northeast Area** — Richard Uluski
- **AVP Pacific Area** — Drew Aliperto
- **AVP Southwest Area** — Jo Ann Feindt
- **AVP Western Area** — Sylvester Black
- **VP Controller** — Tim O'Reilly
- **VP Finance & Planning** — Stephen Masse
- **VP Supply Management** — Susan Brownell

Chief Human Resources Officer & Exec. VP
Anthony Vegliante

- **VP Employee Resource Management** — Deborah Giannoni-Jackson
- **VP Labor Relations** — Douglas Tulino

Chief Information Officer & Exec. VP
Ellis Burgoyne

- **VP Engineering Systems** — Michael Amato
- **VP Information Technology** — John Edgar
- **VP Mail Entry & Payment Technology** — Pritha Mehra
- **VP Product Information** — Jim Cochrane

General Counsel & Exec. VP
Mary Anne Gibbons

Chief Postal Inspector
Guy Cottrell

Official Organizational Chart

Shading = Executive Leadership Team (8 Members)

UNITED STATES POSTAL SERVICE ®

USPS
04/16/12