

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

ANNUAL COMPLIANCE REVIEW, 2016

Docket No. ACR2016

RESPONSES OF THE UNITED STATES POSTAL SERVICE TO
QUESTIONS 5 AND 6 OF CHAIRMAN'S INFORMATION REQUEST NO. 16

The United States Postal Service hereby provides its responses to the above-listed questions of Chairman's Information Request No. 16, issued on February 10, 2017. Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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5. The Postal Service states that “[a]s of the end of FY 2016, 264 suspended facilities had undergone the retail discontinuance process to its conclusion, except for publication of the announcement of the discontinuance in the *Postal Bulletin* under Handbook PO-101 § 422.34.” FY 2016 ACR at 81. The Postal Service asserts that it intends to publish final notices of discontinuance in the Postal Bulletin for these 264 suspended facilities “in the near term in FY 2017[.]” *Id.*
- a. Please provide a timeline for when the Postal Service will publish final notices of discontinuance in the Postal Bulletin for the 264 suspended facilities that have undergone the retail discontinuance process to its conclusion.
 - b. Please confirm that by the end of FY 2017, the Postal Service expects to publish final notices of discontinuance in the Postal Bulletin for all 264 suspended facilities that have undergone the retail discontinuance process to its conclusion. If not confirmed, please explain.

RESPONSE:

- a. The Postal Service appreciates and shares the Commission’s concern with the backlog in retail facility suspensions. It is currently vetting each of the 264 offices that have completed the discontinuance process individually, to ensure that all process steps were completed, so that notices of discontinuance can be published in the *Postal Bulletin*. During this vetting process, the Postal Service has identified 4 offices with incomplete or missing information; files for these locations are being returned to the districts for review and correction. As a result, the total number of offices ready for the final step in the discontinuance process - publication in the *Postal Bulletin* - has been reduced to 260. Upon completion of the vetting process, the Postal Service intends to publish final notice of discontinuance for these offices in the Postal Bulletin.

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b. Because the vetting process noted above has not yet been completed, at this time the Postal Service is not in a position to confirm that it will publish final notices of discontinuance for all 260 facilities (reduced from 264; see above) by the end of FY 2017.

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6. In FY 2016 ACR at 81, the Postal Service notes that “[a]nother 391 retail units under suspension are at earlier stages of the review or discontinuance process....Throughout FY 2017, local management will resume its review of the remaining suspensions under applicable regulations.” *Id.* The Postal Service states that this process may continue beyond the end of FY 2017 due to the number of affected retail units. *Id.* Please provide a plan and timeline for FY 2017 and beyond for reducing the number of retail units under suspension. The plan and timeline should include specific milestones, such as the number of suspended retail units the Postal Service expects to reduce per month or quarter.

RESPONSE:

The Postal Service has been working with district coordinators in the processing of suspensions to ensure minimum impact to the public, and to move toward the final disposition of the suspended offices. As of this date, 23 of the offices that were in suspension status at the end of FY 2016 have been re-opened, and others are moving toward opening, or moving forward with the discontinuance process. The Postal Service will continue to place added emphasis on resolution of the suspended offices, although a timeline is difficult to determine due to a number of factors, including:

- Suspensions such those resulting from natural disasters. These events add to the total suspension number, even though the Postal Service may have reduced the number of previously suspended offices (as noted above). These suspensions are difficult to foresee and until an evaluation is completed, there is no way to determine if the office will re-open or pursue a discontinuance study.
- It can be difficult to determine a completion date for repairs of offices that are suspended due to facility damage caused by natural disasters,

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uncertainty concerning the willingness of a landlord to continue leasing, or other circumstances.

- Some of the suspensions will require significant time to review and coordinate.
- Appeals of Final Determinations.

The Postal Service will continue to ensure that it provides service alternatives for customers served by affected facilities. The Postal Service will continue to provide further review of suspended offices; this process could result in the re-opening of certain suspended offices, finding alternate quarters when available, or following the procedures in 39 CFR 241.3 and Handbook PO-101 for those offices that remain in the discontinuance process throughout the fiscal year. Due to the volume of affected units, this process may continue beyond the close of the current fiscal year. There are currently 395 offices at earlier stages of the review or discontinuance process (this number has increased by 4, as per the Postal Service's response to subpart a. of Question 6., above). It is the Postal Service's expectation that it can meet the following timeline for completion of the discontinuance process for these 395 offices:

FY 2017 End of Quarter 3 - 50 offices

FY 2017 End of Quarter 4 - 50 offices

FY 2018 End of Quarter 1 - 60 offices

FY 2018 End of Quarter 2 - 70 offices

FY 2018 End of Quarter 3 - 80 offices

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FY 2018 End of Quarter 4 - 85 remaining offices