

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

EVOLUTIONARY NETWORK DEVELOPMENT  
SERVICE CHANGES, 2006

Docket No. N2006-1

RESPONSES OF THE UNITED STATES POSTAL SERVICE  
TO VALPAK INTERROGATORY REDIRECTED FROM WITNESS WILLIAMS  
(VP/USPS-T2-7 THROUGH 9)  
(July 10, 2006)

The United States Postal Service hereby submits institutional responses to the following interrogatories of Valpak, filed on June 9, 2006: VP/USPS-T1-16. The interrogatories have been redirected from Williams to the Postal Service for response. Each interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO  
INTERROGATORY OF VALPAK REDIRECTED FROM WITNESS WILLIAMS**

**VP/USPS-T2-7.**

- a. For the 10 AMP proposals included in library reference USPS-LR-N2006-1/6, following consolidation, will any of the 10 P&DFs from which originating First-Class Mail operations were consolidated continue to process destinating mail?
- b. If your answer to preceding part a is affirmative for any of the 10 P&DFs from which originating First-Class Mail operations were to be consolidated, will those P&DFs continue to use their automated letter and flat sorting equipment for destinating sortations, or will destinating mail be sorted manually? Further, please describe the equipment that will be utilized for destinating sortations, and explain whether: (i) that equipment is the same as was previously used to sort originating mail; or (ii) the Postal Service now has specialized equipment that is used only for destinating mail.

**RESPONSE**

It is assumed that the question refers to USPS Library Reference N2006-1/5.

- a. Yes.
- b. Yes. Please refer to Worksheet 10A in each of the AMP decision packages in USPS Library Reference N2006-1/5.

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**VP/USPS-T2-8.**

Please refer to your response to VP/USPS-T2-3.

- a. Will the absence of originating mail for processing at the 10 P&DFs that are included in library reference USPS-LR-N2006-1/6 cause any automated sorting equipment at those facilities to become excess, or redundant? If so, at how many P&DFs will such redundancy occur?
- b. At those 10 P&DFs, what equipment other than sorting equipment, if any, is expected to become excess?
- c. In general, when mail is consolidated from P&DFs to P&DCs, what equipment would the Postal Service expect to become excess?
- d. If the Postal Service engages in a nationwide consolidation of P&DFs under its END program, to where does it expect to relocate equipment made excess by consolidation?

**RESPONSE**

It is assumed that the question refers to USPS Library Reference N2006-1/5.

- a. Yes. Please refer to Worksheet 10A in each of the AMP decision packages in USPS Library Reference N2006-1/5.
- b. It can vary, but a cursory review of the aforementioned Worksheets 10A reveals that cancellation equipment and letter mail labeling machines were moved out of some of the consolidated facilities. Whether equipment excessed from Plant A ends up in Plant B depends on age and condition and the needs of Plant B. In some cases, excess equipment could be stored for further use or, depending on age and condition, retired.
- c. It depends on the operations that get consolidated. Cancellation and sortation equipment could be prime candidates.
- d. As indicated by the aforementioned Worksheets, relocation of equipment for use in other facilities is not an uncommon outcome.

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**VP/USPS-T2-9.**

Please refer to your response to VP/USPS-T2-4. If a gaining facility has to implement new sort schemes to process originating mail from a losing facility, and mail at the gaining facility is processed on automated equipment which runs at the same rate as automated equipment in the losing facility, please explain whether and why, under such conditions, consolidation is expected to result in greater efficiency and a reduction in unit costs.

**RESPONSE**

A cursory examination of Worksheet 4 from the various AMP decision packages in Library Reference N2006-1/5 reveals – on an operation-specific basis -- how, for instance, the shifting of originating volumes from a consolidated plant to a gaining plant can reduce the overall cost of processing the combined originating volume of both facilities and increase efficiency. Reductions in indirect mail processing costs and allied costs at the consolidated facility can be realized.

The combined originating volume at the gaining plant can result in fuller trays, tubs and other containers, which translates into more efficient bulk handlings and more efficient utilization of transportation.