

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

EVOLUTIONARY NETWORK DEVELOPMENT
SERVICE CHANGES, 2006

Docket No. N2006-1

RESPONSES OF UNITED STATES POSTAL SERVICE WITNESS WILLIAMS
TO APWU INTERROGATORIES APWU/USPS-T2-13-19, 22-23
(April 7, 2006)

The United States Postal Service hereby submits the response of witness Williams to the following interrogatories of the American Postal Workers Union, AFL-CIO, filed on March 23, 2006: APWU/USPS-T2-13-19, 22-23.

The interrogatories are stated verbatim and followed by the responses.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS WILLIAMS
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APWU/USPS T2-13 The USPS Area Mail Processing Communications Plan, USPS Library Reference N2006-1/4, lists three occasions that trigger various communication responsibilities. These occasions are:

1. when a decision to undertake a feasibility study has been made;
 2. upon completion of a feasibility study and approval decision to consolidate mail processing operations; and
 3. upon complete transfer of mail processing operations.
- a. At any point prior to the decision to undertake a feasibility study or while the study is underway, is the public invited to comment on the proposed study? If so, please explain how the public is invited to comment and how any comments are integrated into the USPS decision making process, including the person and department responsible for handling public comments at this stage. If the public is not invited to comment, please explain why an invitation is not extended at this point in the process and what, if anything, is done with unsolicited public comments received during this phase.
- b. At any point prior to the decision to consolidate mail processing operations, is the public invited to comment on the proposed consolidation? If so, please explain how comments are integrated into the USPS decision to consolidate, including the person and department responsible for handling public comments at this stage. If the public is not invited to comment, please explain why an invitation is not extended at this point in the process and what, if anything, is done with unsolicited public comments received during this phase.
- c. At any point prior to the decision to undertake a feasibility study or while the study is underway, are employees or unions given an opportunity to comment on the proposed study? If so, please explain how these comments are integrated into the USPS decision making process, including the person and department responsible for handling employee or union comments at this stage. If employees or unions are not invited to comment, please explain why an invitation is not extended at this point in the process and what, if anything, is done with unsolicited employee or union comments received during this phase.
- d. At any point prior to the decision to consolidate mail processing operations, are employees or unions given an opportunity to comment on the proposed consolidation? If so, please explain how these comments are integrated into the USPS decision making process, including the person and department responsible for handling employee or union comments at this stage. If employees or unions are not invited to comment, please explain why an invitation is not extended at this point in the process and what, if anything, is done with unsolicited employee or union comments received during this phase.

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APWU/USPS T2-13 (continued)

- e. After the decision to consolidate a facility has been made, are employees, unions, and the general public given an opportunity to comment on the decision? If so, please explain how these comments are integrated into the consolidation process, including the person and department responsible for handling comments at this stage. If not, please explain this exclusion.

RESPONSE

- a. While that has not been the case to-date, such a process is being developed.
- b. See the response to subpart a above. Comments will be reviewed by the cross-functional AMP team at Headquarters before a final decision is recommended.
- c-d Postal employee union and management association representatives have a long history of not waiting for a formal invitation to express their concerns to postal management through a variety of channels, and encouraging their members to do the same. There have always been channels for employee-management communications that are separate and apart from the channels of communication between the Postal Service and persons acting exclusively as postal customers. Any comments from postal unions and employee associations will be reviewed by appropriate members of the Headquarters cross-functional AMP working group, which includes representation from Labor Relations and Employment Law.
- e. See the responses to subparts a and d.

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APWU/USPS-T2-14 The *Business Mailers Review*, February 27, 2006, reported that Paul Vogel, USPS Vice President for Network Operations Management,

told mailers last week that the agency learned a lot from changes at the Marina Processing and Distribution Center, which has suffered from numerous service problems. "We went to school on that one," Vogel said. One of the lessons learned is that the area mail processing communications procedures should be used. Indeed, improving communications and coordinating information among all parties affected by the changes have been the big focuses of the agency over the past two weeks.

- a. Please explain what lessons were learned from the Marina Processing and Distribution Center experience that suggested a need to improve "communications and coordinating information" between all parties affected by a consolidation.
- b. Please identify what changes, if any, were made in the communication process, instructions or tool kit as a result of the Marina experience and state when these changes went into affect.

RESPONSE

- a. We learned that a structured AMP Communications Plan was needed to ensure consistent messaging regarding operations consolidations to all stakeholders.
- b. An AMP Communications Plan was developed and distributed in late September 2005. Related training was provided to management involved with the administration of the AMP Communications Plan.

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APWU/USPS-T2-15 Please refer to the response to Interrogatory OCA/USPS-2.

The response states in part: “[t]he Postal Service has no plan for direct solicitation of comments from the general public in relation to individual AMP studies. However, as comments from elected officials acting on behalf of the general public (and any unsolicited comments directly from the general public) are received, those comments are to be forwarded to appropriate Headquarters personnel for consideration as they recommend final action on a relevant AMP proposal.”

- a. Please explain “appropriate Headquarters personnel” and identify the person or department designated as such.
- b. Since comments—especially unsolicited comments from the public-- might be directed to local postmasters, area officials, HQ staff, a general address for the Postal Service or to local, state, or federal government officials, who has the responsibility to collect and forward these comments to the appropriate Headquarters personnel and what sort of direction is provided to other levels of management for forwarding such comments?
- c. Please explain the process for considering the solicited and unsolicited comments from the general public and how such comments might result in additional study, reconsideration, meetings with the public, etc. and how the comments might affect final action on a relevant AMP proposal. Please provide any document(s) that provides a written description of this process to guide those responsible for inviting and processing comments.
- d. If the Postal Service has no formal plan to solicit comments from the general public, how are the costs and burdens to customers identified? What, if any, weight is given to these costs in the END process?

RESPONSE

- a. Appropriate personnel include representatives from Public Affairs & Communications, Government Relations, Office of the Consumer Advocate, and Labor Relations.
- b. To date, unsolicited comments are addressed at the appropriate level of ongoing review by the appropriate functional representative. However, see the response to APWU/USPS-T2-13(a).

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- c. If comments raise material issues relevant to the feasibility of a pending proposal that are deemed to merit further consideration of some aspect of that proposal, then further consideration will take place. Documents that would describe the solicitation process are under development. At such time that documents intended for external audiences are approved, copies will be filed in this proceeding.

- d. The Postal Service will not pre-judge assertions that might be made concerning such costs and burdens. It is not even clear from the question what they might be. They will be given whatever weight is deemed appropriate in the AMP review public input process. I am informed that customer costs are not END model inputs.

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APWU/USPS-T2-16 Please turn to your testimony at page 14, lines 6 through 12.

You state “[a]s local major customers are notified of potential mail entry and processing changes, they have an opportunity to consult with local postal operations managers.”

- a. Do these consultations take place prior to a decision to implement the consolidations? If so please, explain when and how mailers are notified about the opportunity to consult. Please identify the time, manner and personnel involved with this opportunity to consult.
- b. If the consultation does not take place before the decision to implement, explain how the potential adverse costs and consequences to mailer operations and business are discovered and considered in any decision as to consolidate.
- c. If all mailers are not afforded this consultation opportunity, please explain how mailers are selected for consultation.
- d. What effect do the concerns expressed in these consultations have on the AMP review process and ultimate decision to consolidate mail processing?
- e. Assume that it was determined that the consolidation would raise affected mailer costs to (1) approach, (2) equal, or (3) exceed Postal Service savings related to the consolidation. How would such determinations factor into a Postal Service decision to consolidate?
- f. Your testimony indicates that “the concerns of potentially affected members of the general mailing public in areas under study” are communicated to the Postal Service. What effect do these concerns have on the AMP review process and the ultimate decision to consolidate mail processing?

RESPONSE

- a. Yes. BMEU customers are notified by local managers at the time that the public is informed about the intent to conduct an AMP feasibility.

See Worksheet 3 of any of the AMP packages in USPS Library

Reference N2006-1/5. Consultations follow.

- b. N/A
- c. District managers and their designees make judgments based on their knowledge of mailers volumes and impact on local operations.

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RESPONSE to APWU/USPS-T2-16 (continued)

- d. Like any others, the comments of mailers are given the consideration and weight that they are due.
- e. The AMP process is designed to only consider postal costs. It is not designed to consider assertions concerning costs incurred by mailers.
- f. They are given the weight deemed appropriate by the Postal Service

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APWU/USPS-T2-17 Please turn to your testimony at page 12, lines 18 through 23.
You state

“[s]takeholder response to the announcement of the aforementioned group of 10 AMP feasibility studies varied from site to site, with little or no response in most cases to considerable interest in others. From this experience, the Postal Service learned that effective and timely communications of its decisions to internal and external stakeholders is critical to the success of AMP implementation.”

Please identify and explain any changes made to how and when communications are made to stakeholders as a result of the experience with the 10 AMP feasibility studies. Please provide any documents detailing the changes.

RESPONSE

The Communications Plan in USPS Library Reference N2006-1/4 was developed and refined as those AMPs were being reviewed. It reflects the benefit of this experience.

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APWU/USPS-T2-18 Please turn to your testimony at page 15, lines 4-13. You state “the Postal Service intends to provide appropriate public notice if a particular study results in a determination to implement operational changes that affect the manner in which existing service standards apply to 3-digit ZIP Code origin-destination pairs.”

- a. Please describe what is included in this public notice.
- b. Please describe how this notice is disseminated to the public.
- c. Please confirm that notice is only given after the decision to implement operational changes has been made. If not confirmed, please explain when during the study and decision process notice is provided.
- d. Describe any part of the AMP study that measures the costs or burdens on mailers and the public that may result from service standard changes and how such information factors into the decision to change service standards.

RESPONSE

- a. The affected 3-digit ZIP Codes and mail classes would be identified, along with the nature of the upgrades of downgrades (2-day to overnight, overnight to 2-day). In addition, information regarding any postmark changes, BMEU changes and any collection box pick-up changes would be included.
- b. Presently, to parties identified on Worksheet 3.
- c. To date, that has been the case
- d. There is no such part.

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APWU/USPS-T2-19 Please refer to Interrogatory APWU/USPS-T2-1(d) and your accompanying response. The Interrogatory asked in part that you “provide the criteria for the selection of the 10 AMP studies presented in your submission to the Commission in N2006-1.” You responded that “after consultation with local management, area management proposed to headquarters AMP studies which met current and future network requirements to proceed with.” Please detail the current and future network requirements that were considered in selecting the 10 AMP facilities.

RESPONSE

AMPs were proposed which provided for current efficiencies from operations consolidation and which would result in the impacted facilities meeting the requirements of their future network roles.

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APWU/USPS-T2-22 Please refer to your response to Interrogatory APWU/USPS-T2-3(a). Your response states that “[t]he main components of an AMP implementation include relocations of personnel, mail volume, and mail processing equipment, and implementation of any changes in the application of service standards to 3-digit ZIP Code pairs.”

- a. Please state how long the relocation of personnel takes in a typical case.
- b. Please state how long the relocation of mail volume takes in a typical case.
- c. Please state how long the relocation of mail processing equipment takes in a typical case.
- d. Please state how long implementation of any changes in the application of service standards takes in a typical case.

RESPONSE

- a. Each AMP is unique with a move plan timeline that meets the goal of the AMP and local operations. Depending on the complexities of the AMP, implementation of an AMP can occur over a few days or take several months.
- b. See a.
- c. See a.
- d. The changes are entered into the service standards database and then usually become effective at the beginning of the next fiscal quarter. The time to input the changes depends on the complexity for any particular AMP and how many others may also be in the queue.

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APWU/USPS-T2-23 In reference to the Marina P&DC AMP decision shown in Library Reference N2006-1/6, when were the impacted parties notified of the Marina P&DC decision?

RESPONSE

Shortly after employees were notified.