

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-T2-59 THROUGH 63
(May 23, 2006)

The United States Postal Service hereby submits the responses of witness Williams to the following interrogatories of the American Postal Workers Union, AFL-CIO, filed on May 10, 2006: APWU/USPS-T2-59 through 63.

The interrogatories are stated verbatim and followed by the responses.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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RESPONSE OF THE UNITED STATES POSTAL SERVICE TO INTERROGATORY OF THE AMERICAN POSTAL WORKERS UNION

APWU/USPS-T2-59. To clarify your responses to APWU/USPS-T2-11 about the construction of the NE Michigan facility Pontiac, Michigan

- a) Since the Detroit BMC is scheduled to become an RDC, will this new facility be designated a Local Processing Center? If not, please indicate what type of facility this will be.
- b) The presentation to the Board of Governors indicated that this facility would consolidate mail processing activities currently taking place in Troy, Pontiac and Royal Oak. Please confirm that this includes moving originating mail from these facilities to the new Michigan facility? Are there other activities that will be moved from Troy, Pontiac or Royal Oak to this facility? If so, what are they and from what facility will they be moved?
- c) Please confirm that originating mail from Detroit and Flint will be moved to this facility. Are there other activities that will be moved from Detroit or Flint to this facility? If so, what are they and from what facility will they be moved?
- d) Was the AMP process used to make the determination whether or not to move originating mail into the new facilities as referenced in b and c above? If not, what type of analysis was used to make these determinations?
- e) What other types of mail processing activities will be consolidated in the new facility and where will that mail be coming from?
- f) Did the Decision Analysis Report concerning this new facility include consideration of the cost savings or benefits from moving the activities referenced in b and c above?

RESPONSE

- a) The question assumes a specific role for the Detroit BMC in the future network, when no such determination has yet been made. It is not unreasonable to speculate that the NE Michigan facility in Pontiac, Michigan could operate as a Local Processing Center (LPC) in the future network.
- b) The new NE Michigan facility can be expected to absorb operations from other existing facilities in the area. The Area Mail Processing review process will play a part in making specific determinations.
- c) See the response to subpart (b) above.
- d) Relevant AMP feasibility studies are currently in progress.

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RESPONSE to APWU/USPS-59 (continued):

- e) See the response to subpart (b) above.
- f) Yes.

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APWU/USPS-T2-60. Mr. Vogel has indicated in past presentations that there will be a reduction in the number of facilities doing processing and distribution work during the network alignment period and has, at times, provided an approximate number of facilities that will be closed.

- a) Please provide the latest estimate of the number of each type of facility that will be needed in the redesigned network.
- b) Please provide the latest estimate of the number of each current type of facility that will be closed during the next 5 years.
- c) Will facilities scheduled for closure primarily be distribution processing centers? If not, which facilities are most likely to be closed?
- d) Are the END models designed to indicate which facilities should be closed? If the END model does not assign any mail to a particular facility will it be scheduled for closure?
- e) Will the AMP process be used to close facilities?
- f) Please describe the communications plan and level of community involvement that the USPS is expected to use when a facility is scheduled for complete closure.

RESPONSE

- a) I am aware of no facility-by-facility target having been established beyond the estimate of approximately 70 RDC's reflected in response to OCA/USPS-T1-11.
- b) I am aware of no such facility-type estimate having yet been developed.
- c) There is no schedule of facility closure candidates. It might be reasonable to speculate that the mail processing facility type with the largest number existing facilities (P&DC/Fs) could have the largest number of closures, but not necessarily have the largest percentage of closures. Another type of facility (annexes) could have a higher percentage of closures, making them "most likely" to be closed.
- d) The END model is outside the scope of my testimony. I am aware that it has been indicated earlier that the END model does not assign mail to

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RESPONSE to APWU/USPS-60 (continued):

facilities; it assigns mail to operations; and that the ultimate specific location of those operations, within existing or new facilities, is determined outside the model.

- a) The AMP process can be used to study the relocation of all originating and destinating operations at mail processing plants. When deemed appropriate through that process, facility closure can occur.
- b) The Postal Service will use the AMP Communications Plan for communicating all AMP proposals, whether they involve consolidation of only originating operations for a mail processing plant, or all operations at a mail processing plant.

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APWU/USPS-T2-61. Please identify differences between the communications plans used in the AMP process and the “Public Input Process” or PIP plan the USPS has recently announced.

RESPONSE

The Public Input Process is an enhancement to the AMP Communication Plan which allows for a town hall style meeting in communities where an AMP may occur.

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APWU/USPS-T2-62. In clarification of your responses to APWU/USPS-T2-1(g-h)

- a) What is the Postal Services' record retention policy for AMP studies?
- b) Of the seven AMPs approved in 2003 and 2004, have post implementation reviews been conducted for any of those? If so, please provide all post implementation reports for those sites.
- c) If Post implementation reviews have not been conducted or completed please indicate the scheduled completion time for the post implementation reviews for each of the facilities.

RESPONSE

- a) At the present time, there is no specific AMP study documentation retention period outlined in the AMP Guidelines Handbook, PO-408. As we revisit and update the AMP process requirements and documentation, I expect that the establishment of a five-year retention period for the approved AMP proposal might be appropriate.
- b) There were no AMPs approved in 2003. PIRS for the six AMPs approved in 2004 were not conducted on the timetable specified in the PO-408. In response to this revelation, I directed that such studies be completed. They are still underway.
- c) Two of the PIRS for the 2004 AMPs referenced above are expected to complete the headquarters review process by mid-June. I expect the remaining four to be submitted to headquarters review in by that time.

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APWU/USPS-T2-63. In clarification of your response to APWU/USPS-T2-1(a)

- a) Excluding the seven AMPs on this list that are included in N2006-1/5, please confirm that three of the remaining ones are on the list of 41 attached to your testimony (Beaumont to Houston, Canton to Akron and Zanesville to Columbus) and that one (Batesville) is there but with a different receiving facility than originally stated.
- b) Are the AMPs on this list that are not either in N2006-1/5 or on your attachment still suspended? Have they been cancelled?
- c) In your answer to APWU/USPS-T2-1(e) you state that none of the suspended AMPs were cancelled due to results from the AMP process; what did determine the Postal Service's decision to not go forward with them?

RESPONSE

- a) Confirmed.
- b) The other sites on the list are no longer being studied at this time.
- c) The local district and area determined not to move forward with those AMPs at the present time.