

Before the  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

Evolutionary Network Development )  
Service Changes, 2006 )

Docket No. N2006-1

OFFICE OF THE CONSUMER ADVOCATE FOLLOW-UP  
INTERROGATORIES TO UNITED STATES POSTAL SERVICE  
(OCA/USPS-57-61)  
August 3, 2006

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Pursuant to Rules 25 through 28 of the Rules of Practice of the Postal Rate Commission, the Office of the Consumer Advocate hereby submits interrogatories and requests for production of documents. Instructions included with OCA interrogatories OCA/USPS-1-5, dated March 3, 2006, are hereby incorporated by reference.

Respectfully submitted,

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Officer of the Commission

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OCA/USPS-57. Please refer to the USPS Library Reference N2006-1/23, "Draft 5.0 Regional Distribution Center Communications Plan" filed July 28, 2006.

- a. The document is labeled a draft. Please explain the status of this Communication Plan within the USPS approval process and whether it is subject to revision before a final Communication Plan is completed. If so, what types of revisions and additions or deletions are anticipated?
- b. Please provide a copy of the final "Regional Distribution Center Communications Plan" when it is approved.
- c. The Communications Plan states a decision to activate a Regional Distribution [RDC] "does not involve operational consolidations subject to the Handbook PO-408 process, but may involve changes in mail class service standards applicable to 3-digit ZIP Code areas served by mail processing facilities within the planned service area of an RDC." (Plan at 7.) What guidelines and directives other than those contained in the "Regional Distribution Center Activation Planning Document" will guide the activation of a Regional Distribution Center? If there are any other documents, please provide those documents.
- d. Please explain the apparent flow diagram on page 8 which is not labeled.

OCA/USPS-58. Please refer to USPS Library Reference N2006-1/24, "Draft Regional Distribution Center Activation Planning Document" filed July 28, 2006.

- a. The document is labeled a draft. Please explain the status of this Planning Document within the USPS approval process and whether it is subject to revision

- before a final Planning Document is completed. If so, what types of revisions and additions or deletions are anticipated?
- b. Please provide a copy of the final “Regional Distribution Center Activation Planning Document” when it is approved.
  - c. The Planning Document does not provide for the preparation of any financial information. Please explain how the efficiencies of the RDC activations will be measured in terms of the savings in mail processing equipment, facilities, and transportation costs without estimates of financial savings?
  - d. The Planning Document only provides for a calculation of the changes in employee positions without provision for converting that to financial savings. Will the financial savings due to changes in labor costs be considered when deciding whether to activate RDCs? Please explain.
  - e. If capital expenditures are required to activate an RDC to expand facilities or build new facilities, will a Decision Analysis Report (“DAR”) be prepared for each RDC? If so, what is the benchmark return used for recommending approval of the capital expenditures? Please provide a Decision Analysis Report for one of the RDCs if any such reports have been completed.
  - f. Because the Communications Plan in USPS Library Reference N2006-1/23 states the RDC activation will not be subject to the Handbook PO-408 which contains the directions for a post-implementation review process, what process and specific procedures will be used by USPS management to review the effectiveness of the RDC activations?

- g. Is it anticipated that the RDC activations will lead to annual savings similar to the savings estimated for many of the recently completed AMP consolidations listed in USPS-Library Reference N2006-1/5 which were mostly in approximately the million dollar range? If not, what amounts of annual savings are anticipated? Please explain.

OCA/USPS-59. Please refer to the USPS Management Instruction AS-550-96-4, "Management Instruction, National Environmental Policy Act Operational Guidance" filed July 25, 2006 in response to an OCA question posed to witness Williams at Tr. 6/608. That document provides for the initial preparation of an environmental checklist to identify environmental issues to determine whether an environmental assessment or an environmental impact statement is required. (Instruction at 2.) It provides "Environmental Management Policy" at headquarters has been assigned the responsibility to ensure "that the public is offered adequate opportunities to participate in Postal Service decision making." (Instruction at 3) Yet, "No public participation or public review process is required after the completion of an environmental checklist." (Instruction at 2.)

- a. What procedures have been followed with respect to END program consolidations to provide for public input to express concerns about the environmental impact of USPS actions prior to the completion of the environmental checklist or afterward?
- b. If the procedures will be modified in the future for END program consolidations, what will be those procedures for public participation to express concerns about the environmental impact of USPS actions in the future? Please explain.

OCA/USPS-60. Please refer to the copy of Chapter 2 titled “The National Environmental Policy Act Process” from the USPS Real Estate Handbook RE-6 dated November 2004, filed with the Commission on July 25, 2006, in response to an OCA question posed to witness Williams at Tr. 6/608. In particular, please refer to Exhibit 2-6 at page 2-27 of that Chapter which is a one page example of “Record of Environmental Consideration” providing for a record of the types of environmental assessments for a particular project to be signed by a responsible official. The sheet provides for a check-off of the possible applicable environmental assessments: No Review Required, Environmental Checklist, Categorical Exclusion, Environmental Assessment with a Finding of No Significant Impact (FONSI) and an EIS and Record of Decision (ROD).

- a. Please confirm that a “Record of Environmental Consideration” is completed for each AMP process and for each other network facility consolidation pursuant to the END program. If not, please explain.
- b. Please provide all of the completed “Record of Environmental Consideration” for each of the AMPs completed and implemented pursuant to the END program.
- c. Please provide the completed “Record of Environmental Consideration” for each of the other mail processing facilities consolidations that have been implemented pursuant to the END program.
- d. Have any “Record of Environmental Consideration” documents been completed for any of the planned RDCs? If so please provide a copy of each of those documents.

OCA/USPS-61. The Postal Service's rules regarding National Environmental Policy Act procedures appear at 39 CFR 775. Section 39 CFR 775.14(a) provides that "Public hearings must be held whenever there is, among other times: (1) Substantial environmental controversy concerning a proposed action and a request for a hearing by any responsible individual or organization; (2) A request for a hearing by an agency with jurisdiction over or special expertise concerning the proposed action...."

- a. Have there been any hearings held or scheduled pursuant to this section of the Postal Service's rules on any of the END program AMP consolidations or other proposed facility activations including RDC activations? If so please explain and provide references to the proceedings.
- b. Please confirm that the Postal Service provides public notice of the availability of environmental documents relating to any proposed action having effects primarily of local concern pursuant to 39 CFR 775.13 of its rules which must be published in one or more local newspapers (§775.13(a)(3)(ii)) and may include mailing notice to "owners and occupants of nearby or affected property."  
(§775.13(a)(3)(v)).