

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

**Mail Processing Network Rationalization
Service Changes, 2012**

Docket No. N2012-1

**AMERICAN POSTAL WORKERS UNION, AFL-CIO,
MOTION TO COMPEL THE POSTAL SERVICE TO PRODUCE A POLICY WITNESS
AND RESPOND TO INTERROGATORIES APWU/USPS-3-6
(March 2, 2012)**

On January 6, 2012, the American Postal Workers Union, AFL-CIO, (APWU) filed comments on the procedural schedule to be applied in this docket. In its Comments, the APWU requested that the Commission “direct the Postal Service to file the testimony of a witness addressing the interaction of the current proposal with the proposals contained in dockets N2011-1 (Retail Access Optimization Initiative, 2011), N2010-1 (Six-Day to Five-Day Street Delivery and Related Service Changes), and R2010-4 (Exigency Request).”¹ The Postal Service opposed this request.²

On January 12, 2012, the Presiding Officer issued Ruling No. N2012-1/5 establishing the procedural schedule in this docket. The Presiding Officer also addressed APWU’s request for a policy witness to discuss the combined impacts of various Postal Service initiatives stating:

The interrelationship of different Postal Service proposals could be relevant and material to the record in this proceeding. Participants may explore these interrelationships through discovery. The Postal Service has not chosen to provide a witness to explain the interaction of its various proposals and the need for such a witness has not been shown. The discovery process will be monitored to evaluate whether any further action is required.³

¹ APWU Comments on Schedule and Other Procedural Matters at 5.

² USPS Reply to Comments Regarding Scheduling and Other Procedural Matters at 14-16 (January, 9, 2012).

³ POR No. N2012-1/5 at 6.

Discovery on the Postal Service's direct case has now concluded. To date, the Postal Service has provided limited information about the combined impact on service of the current initiative and the initiatives proposed in Docket Nos. N2010-1, N2011-1, and R2010-4. The combined impact of these initiatives is relevant and material to the current proceedings. Therefore, APWU respectfully renews its request that the Postal Service provide a witness capable of testifying on the combined service impacts of these initiatives in conjunction with the service changes at issue in the present docket.

In its Reply Comments, the Postal Service asserted that David Williams (USPS-T-1) "provides the necessary policy testimony in this docket." However, discovery has revealed that Williams cannot provide the information necessary to understand the combined impacts of the various postal initiatives. For example, in response to APWU/USPS-T1-9, Williams indicated that he has not "considered whether there is, or should be, any relationship between the fact that the Postal Service has proposed to reduce service to its customers in [Dockets Nos. N2010-1, N2011-1 and N2012-1] and contemporaneously, has proposed both a general rate increase and an exigency increase."⁴ Witness Williams also indicated that he has not seen an evaluation of the combined impact on customer service of implementing the changes presented in the current docket and the changes in N2010-1,⁵ or an evaluation of the combined impacts on service from the changes proposed in the current docket and the changes resulting from N2011-1.⁶ Clearly, Witness Williams cannot testify about these issues; however, his testimony leaves open the possibility that someone within the Postal Service may have looked into these issues. Specifically, Williams stated numerous times that "[t]he fact that I have not seen such an evaluation, by itself, does not prove the absence of such an evaluation."⁷ The combined impact of multiple postal initiatives that will affect service must be examined if the Commission is to ensure that the proposed changes conform to the policies of Title 39. If the Postal Service has information relevant to this examination, it must be produced. To the extent that the Postal Service has not previously evaluated the

⁴ Response of USPS Witness Williams to APWU/USPS-T1-9 (January 23, 2012).

⁵ Response of USPS Witness Williams to APWU/USPS-T1-10 (January 23, 2012).

⁶ Response of USPS Witness Williams to APWU/USPS-T1-13 (January 23, 2012).

⁷ See Response of USPS Witness Williams to APWU/USPS-T1-10, 13, 14 (January 23, 2012).

combined impacts it should be required to do so now and provide a witness capable of addressing these issues now.

As we asserted in our January 6, 2012 Comments, if each of these initiatives are to be implemented they cannot be implemented in isolation from each other. As an illustration of this point, consider the following simplified example: assume that a First Class letter was mailed on a Thursday to a destination with an overnight service standard. If no changes are made to the present processing network or service standards, this letter would arrive to its destination on Friday, the next day. If overnight delivery is eliminated, as proposed in this docket, the letter may not arrive until Saturday, two days later. If there is also no Saturday delivery as contemplated in Docket No. N2010-1, then this letter would not arrive until Monday, four days later, at the earliest. In this simple example, the combined influence of the two initiatives would create a larger negative impact on service than either initiative would cause in isolation. Likewise, were the Postal Service to close processing facilities as it proposes in this docket, and close retail facilities in accordance with its proposal in N2011-1, postal consumers will not only lose valuable access to retail facilities, they will also see a decrease in delivery speed. It is not hard to imagine that a small business that requires affordable and quick service along with easy access to postal facilities for postmarks and other mailing needs might be harder hit by the combined proposals than either proposal alone. These combined effects might force the business to use the Postal Service much less than either initiative's market research predicted.

Thus, it is not possible to know the true impact of one initiative without examining how it affects and is affected by other actions of the Postal Service. The Commission could review the changes presented in this docket as if they were occurring in a vacuum. However, despite the Postal Service's lack of candor on this point, it is near certain that the changes proposed in the current docket will not be implemented in isolation. Therefore, the Postal Service must be required to provide a witness who can speak to the likely impact on service that will result from the combined implementation of the present initiative with one or more of the proposals considered in Dockets Nos. N2010-1, N2011-1 and R2010-4. Without the opportunity to understand these likely impacts, including the actual service provided, costs saved and revenue lost, and to evaluate them under the

requirements of Title 39, neither the intervenors, the Commission nor the Postal Service can know or state with any certitude that the current proposal complies with the Act.

In order to understand the combined service impacts of the various postal initiatives and the current proposal, on January 27, 2012, APWU propounded the following institutional interrogatories to the Postal Service:

APWU/USPS-3 Has anyone at USPS evaluated the combined impact on customer service of the proposed closings resulting from network rationalization combined with the impacts on customer service from instituting the proposed changes from Docket No. N2010-1, Six-Day to Five-Day Street Delivery and Related Changes? If so, please identify, by name and title, who within the Postal Service conducted this evaluation and describe the analysis, summarize its results and provide all documents related to this evaluation and conclusions

APWU/USPS-4 Has anyone at USPS evaluated combined impact on customer service of the proposed closings resulting from network rationalization combined with the impacts on customer service from instituting the proposed changes from Docket No. N2011-1, Retail Optimization Initiative, 2011. If so, please identify, by name and title, who within the Postal Service conducted this evaluation and describe the analysis, summarize its results and provide all documents related to this evaluation and conclusions.

APWU/USPS-5 Has anyone at USPS conducted analysis of the potential combined revenue losses and other impacts resulting from instituting all the proposed changes in Docket Nos. N2010-1, N2011-1, and N2012-1? If so, please identify, by name and title, who within the Postal Service, conducted this evaluation and describe the analysis, summarize its results and provide all documents related to this evaluation and conclusions.

APWU/USPS-6 Has anyone at USPS conducted analysis of the impact of the proposed changes in this docket and corresponding service standard changes and the exigent rate increase sought in R2010-4? If so, please identify, by name and title, who within the Postal Service conducted this analysis, describe the analysis, summarize its results and provide all documents related to this analysis and conclusions.

Responses to these interrogatories were due by February 10, 2012. The Postal Service did not file an objection to these interrogatories; however, to date the Postal Service has not responded. The Postal Service must be required to respond to these Interrogatories.⁸

⁸ Interrogatories APWU/USPS-3-6 were filed as part of the larger set of interrogatories APWU/USPS-2-8, on January 27, 2012. To date, the Postal Service has not provided a response to any interrogatory in this set. Though the APWU has limited its request in this

APWU requests that the Postal Service immediately provide a witness to respond to these interrogatories and make that witness available for follow-up discovery and oral cross examination.

Conclusion

For the foregoing reasons, APWU respectfully requests the Commission direct the Postal Service to immediately provide a witness capable of providing testimony on the service impacts resulting from the combined implementation of various Postal Service initiatives as detailed above. APWU further requests that the Commission compel that witness to provide responses to APWU/USPS-3-6 and be made available for follow-up discovery and oral cross examination.

Respectfully submitted,

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