



National Postal Mail Handlers Union

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Via E-Mail (industryfeedback@usps.com) and Mail

Manager, Industry Engagement and Outreach
United States Postal Service
475 L'Enfant Plaza, SW, Room 4107
Washington, DC 20260-4107

Re: Comments of the National Postal Mail Handlers Union on the Postal Service's
Proposed Rule, Service Standards for Market-Dominant Mail Products

The National Postal Mail Handlers Union ("NPMHU"), which serves as the exclusive collective bargaining representative for almost 47,000 mail handlers employed by the U.S. Postal Service ("Postal Service," "Service," or "USPS"), hereby submits these comments in opposition to the Postal Service's December 15, 2011 Proposed Rule regarding "Service Standards for Market-Dominant Mail Products" ("Proposed Rule"). *See* 76 Fed. Reg. 77,942 (Dec. 15, 2011). The NPMHU submitted comments in opposition to the Postal Service's Advance Notice of Proposed Rulemaking, and incorporates by reference those comments here, in addition to the comments offered below.

DISCUSSION

The Postal Service's Proposed Rule seeks to "eliminate the overnight service standard for First-Class Mail, narrow the product's two day delivery range, and enlarge its three-day delivery

range.” *See* 76 Fed. Reg. at 77,942. The Postal Service candidly acknowledges that the proposal would “reduce the value of the mail to customers,” *id.* at 77,943, and that the “majority of commenters [to the Advance Notice of Proposed Rulemaking] expressed opposition to the proposal.” *Id.* The Postal Service has stated that the proposal, which would add a day to the delivery of most mail, is necessary in order to “align the mail processing network” with declining volumes in order to cut costs—by which it means that it intends to close as many as two hundred and fifty-two mail processing facilities, which process approximately 35% of the nation’s mail volume.¹

The current processing and distribution network has taken many decades to build, yet the Service is proposing to dismantle that network in large part over the span of one year. Such a far-reaching and irrevocable change demands careful study and transparent discussion with stakeholders before implementation. The Postal Service has filed a request for an advisory opinion with the Postal Regulatory Commission (“Commission” or “PRC”), in order to comply with the federal statute requiring it to seek such an opinion “within a reasonable time before the effective date” of a proposal that will generally affect service nationwide. 39 U.S.C. § 3661(b). Yet the Postal Service appears determined to implement its proposal before the Commission will have an opportunity to issue a decision in this matter, as the Service has stated that it intends to implement the reduced service standards after the comment period for this Notice of Rulemaking has expired, although the Commission’s proceedings, in all likelihood, will not conclude until

¹ Postal Regulatory Commission Dckt. No. N2012-1, USPS Library Reference N2012-1/6; USPS Response to NPMHU/USPS-T1-6.]

July. This approach runs contrary to the letter and spirit of the statute, as it fails to give a “reasonable time” for the Commission’s procedures to run their course.

The Postal Service’s rush to implement this far-reaching proposal is particularly troubling, given that the Postal Service still has not concluded its own studies into whether any of the two hundred and fifty-two potential closures are feasible. The Postal Service has indicated that some portion of these studies will be available in the middle or end of February, but has not committed to a date when all studies will be made available for review. And the Postal Service has repeatedly responded to requests for more information about its proposal by stating that it will not know the answer until the more than two hundred individual feasibility studies are completed. For instance, the Postal Service has stated that “the [future] transportation network has not yet been modeled” and cannot be, until the studies are completed.² As a result, the Service cannot calculate the percentage reduction in operating routes; cannot state where there will be any increases in transportation costs; cannot state whether, or where, it will need to establish intermediate locations or hubs for transferring mail; cannot estimate the utilization of trucks in the future network; cannot estimate the impact on delivery time for Priority Mail, Express Mail, Standard Mail, and Parcels; cannot determine how many processing machines could be eliminated or how many will need to be moved and where; and cannot state where the bulk mail entry units will be located.³ Nor can the Postal Service say what the implementation

² Postal Regulatory Commission Dckt. No. N2012-1, Response to NPMHU/USPS-T-6-5, 14.

³ Postal Regulatory Commission Dckt. No. N2012-1, Response to PO/USPS-T6-1; Response to PR/USPS-T6-6(b), 11(a) and 12(b); Response to NPMHU/USPS-T6-8; Response to APWU/USPS-T-4-3 through 6; Response to TI/USPS-T4-1; Response to APWU/USPS-T5-2(b); Response to DBP/USPS-32.

costs for this network redesign will be, or what the net savings will be “without knowing the outcome of each facility-specific AMP determination that will be made.”⁴

Changing the service standards before the Postal Service has this critical information puts the cart before the horse, and raises the possibility that the service standards will be downgraded and the distribution network permanently dismantled even though the redesigned network will be unable to accommodate workload as the Postal Service hopes and/or the savings realized will be insufficient to justify this significant degradation in service.

More fundamentally, until the Postal Service is able to provide substantive responses to these questions, it is impossible for postal stakeholders to evaluate and provide meaningful commentary into the proposal. Likewise, the Postal Service’s rush to implement these service standard changes fails to allow time for the Commission to evaluate the Service’s proposal and provide the informed opinion that the Service is required by statute to seek. Once the Commission has issued its opinion, the Service will be able to study and weigh carefully the advice provided by the Commission. At that time, and with the benefit of the Commission’s advice, the Postal Service then can determine the appropriate course of action. To do so without a reasonable time for exploration of the Postal Service’s proposal, and without the benefit of the Commission’s considered advice, fails to accord due process to postal stakeholders and imparts an air of bad faith to the proceedings.

⁴ Postal Regulatory Commission Dckt. No. N2012-1, Response to NPMHU/USPS-T1-5; Response to APWU/USPS-T1-2.

As such, the NPMHU files these comments to urge the Postal Service to defer implementation of the Proposed Rule until the Postal Regulatory Commission has had time to offer its opinion, as required by statute.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'John F. Hegarty', with a long horizontal flourish extending to the right.

John F. Hegarty
National President

Cc: National Executive Board
All Local Unions
National/Regional CAD