

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

POSTAL RATE AND FEE CHANGES, 2006

Docket No. R2006-1

INSTITUTIONAL RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE
(OCA/USPS-1)

The United States Postal Service hereby files its response to the following interrogatory of the Office of the Consumer Advocate: OCA/USPS-1, filed on June 20, 2006. The interrogatory is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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June 30, 2006

**RESPONSE OF THE UNITED STATES POSTAL SERVICE
TO OFFICE OF THE CONSUMER ADVOCATE INTERROGATORY**

OCA/USPS-1 Please confirm that the letter attached to this interrogatory was sent to Shelley Dreifuss, Office of the Consumer Advocate, by the Postal Service's General Counsel, Mary Anne Gibbons, on June 19, 2006. Also confirm that, in the letter, (1) Ms. Gibbons describes the steps taken by the Postal Service to post Express Mail, Priority Mail, First-Class Mail, and Parcel Post service performance data at the Postal Service's website; (2) Ms. Gibbons explains that Priority Mail 3-day service comprises only three percent of retail Priority Mail and that the service standard performance reports from the Product Tracking System are not currently designed to provide such information; and (3) Ms. Gibbons indicates that the cost of reprogramming the data reporting system has been a deterrent to developing information on 3-day service. If any of these statements are not confirmed, then please explain.

RESPONSE

All four requested confirmations are hereby provided.



June 19, 2006

Ms. Shelley S. Dreifuss
Director
Office of the Consumer Advocate
901 New York Avenue NW, Suite 200
Washington, DC 20268-0001

Dear Ms. Dreifuss:

This concerns the status of measures being taken by the Postal Service to make available service performance data on the Postal Service's public internet web site. During Docket No. R2005-1, the Postal Service agreed to post national performance data at www.usps.com, pursuant to a partial settlement agreement with the Office of the Consumer Advocate (OCA). The letter from Postmaster General Potter to you dated July 22, 2005, specified the data that would be posted.

Thank you for meeting with me, the Postal Service's Consumer Advocate, Delores Killete, Dan Foucheaux and Michael Tidwell on April 26 to review the Postal Service's plans to implement the agreement. We were pleased to inform you that retail performance statistics would be publicly available, beginning April 28, 2006. As Mr. Potter indicated, the Postal Service is posting, for the first time, quarterly national on-time percentage data by service standard day, to the extent available, for retail First-Class Mail, Express Mail, Priority Mail, and Parcel Post. We also informed you that the Postal Service would be placing a hard-copy notice in its facilities informing the public that the performance data would be available on the internet. The information was made available as of April 28.

During our discussion, we also clarified the status of retail performance data for Priority Mail. The July 22 letter indicated that Priority Mail performance statistics would be developed from the Priority Mail End-to-End (PETE) measurement system, and would provide the percentage of Priority Mail test pieces scheduled to receive overnight service that was actually delivered overnight, and the percentage of Priority Mail test pieces scheduled to receive two-day service that was actually delivered in two days. As you know, since the agreement, the PETE measurement system has been terminated. Consistent with our understanding at the time of the settlement, we have agreed to substitute statistics developed from the Product Tracking System (PTS), which relies on data developed from the Delivery Confirmation service. Since Priority Mail is a two/three-day product, until now, we have not estimated and provided the percentage delivered overnight internally.

We also clarified that, under PETE, only data representing performance for the first two days of Priority Mail delivery would have been available. Currently, the PTS system itself only compiles retail statistics for the first two days. Programming could be undertaken, at considerable effort and expense, to develop retail statistics for the third day. Such information, however, would have relatively limited value for operations.

Management responsible for the PTS system is currently working to evaluate whether additional volumes can be added and measured, such as parcels entered through Carrier Pick-up. If these efforts are successful, down the road, this information could potentially provide more comprehensive and useful tools for improving operations and service and in turn help the consumer. In this regard, we note that Priority Mail that is purchased at retail and has a three-day service standard represents only three percent of Priority Mail volume. The Postal Service, therefore, intends to continue with system enhancements that will provide greater access to service performance and not divert resources to develop retail Priority Mail three-day statistics from PTS. Given the circumstances, we are optimistic that this course will ultimately be most beneficial to all postal customers interested in improving service and in meaningful and useful information concerning the performance of Priority Mail generally.

If you have any questions, please do not hesitate to contact me. Again, thank you for meeting with us to discuss the implementation of this agreement.



Mary Anne Gibbons